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A BILL TO AMEND SECTION 7 OF THE ADMINISTRATIVE EXPENSES ACT OF 1946, AS AMENDED

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HEARINGS  
BEFORE A  
SUBCOMMITTEE OF THE  
COMMITTEE ON  
GOVERNMENT OPERATIONS  
HOUSE OF REPRESENTATIVES  
EIGHTY-THIRD CONGRESS  
SECOND SESSION  
ON  
**H. R. 179**

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APRIL 30 AND MAY 14, 1954

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Committee on Government Operations



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# A BILL TO AMEND SECTION 7 OF THE ADMINISTRATIVE EXPENSES ACT OF 1946, AS AMENDED

FRIDAY, APRIL 30, 1954

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON EXECUTIVE AND  
LEGISLATIVE REORGANIZATION,  
COMMITTEE ON GOVERNMENT OPERATIONS,  
*Washington, D. C.*

The subcommittee met, pursuant to call, at 10:10 o'clock a. m., in room 1501, New House Office Building, Hon. Marguerite Stitt Church, acting chairman, presiding.

Present: Representatives Clare E. Hoffman, Marguerite Stitt Church, John W. McCormack, and Jack B. Brooks; also Clyde W. Smith, general counsel of the Government Operations Committee.

Mrs. CHURCH. The meeting will come to order.

This subcommittee is meeting this morning in consideration of H. R. 179, introduced in the House on January 3, 1953, by Hon. L. Mendel Rivers, Member of Congress from the First Congressional District of South Carolina—a bill which provides for the payment of the expenses of return transportation of Federal employees and authorized dependents, but not household effects, from posts of duty outside continental United States, if the agreed period of overseas service has been satisfactorily completed, and the employee is returning on leave prior to serving another tour of duty at the same overseas post; allows the expenses of returning the immediate family and household effects of the employee prior to his return when the employee is eligible for such transportation, or the public interest requires it, or the return is necessitated by circumstances beyond the individual's control.

(H. R. 179 follows:)

[H. R. 179, 83d Cong., 1st sess.]

A BILL To amend section 7 of the Administrative Expenses Act of 1946, as amended

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Administrative Expenses Act of 1946 (60 Stat. 806; 5 U. S. C. 73b-3), as amended, is further amended by changing the period at the end thereof to a colon and adding the following: "Provided further, That expenses of return travel and transportation, including authorized dependents but excluding household effects, from their posts of duty outside the continental United States to the places of actual residence at time of appointment to such overseas posts of duty, shall be allowed in the case of persons who have satisfactorily completed an agreed period of service overseas and are returning to their actual place of residence for the purpose of taking leave prior to serving another tour of duty at the same overseas post, under a new written agreement entered into before departing from*

the overseas post: *Provided further*, That expenses of transportation and of the immediate family and shipment of household effects of any employee from the post of duty of such employee outside continental United States to place of actual residence at time of appointment shall be allowed prior to the return of such employee to the United States when the employee has acquired eligibility for such transportation or when the public interest requires the return of the dependents for compelling personal reasons of a humanitarian or compassionate nature, such as may involve physical or mental health, death of any member of the immediate family, or obligation imposed by authority or circumstance over which the individual has no control: *And provided further*, That when an employee returns his immediate family and household goods to the United States at his own expense prior to his return and for other than reasons of public interest, the Government shall reimburse him for proper transportation expenses at such time as he acquires eligibility."

Mr. Rivers, the author of the bill, is here to testify, and we will be glad to have him speak first.

Congressman Rivers.

**STATEMENT OF HON. L. MENDEL RIVERS, A REPRESENTATIVE  
IN CONGRESS FROM THE STATE OF SOUTH CAROLINA**

Mr. RIVERS. Madam Chairman, I am indeed very privileged at this opportunity to appear in defense of my legislation, H. R. 179.

My reason for having introduced this bill was brought about by the fact that the president of the National Association of Supervisors in the Department of Defense, a constituent of mine, who has been president for a number of years and is the now president, asked me to introduce this legislation and explained to me the inequities now obtaining as a result of a decision handed down by the Comptroller General in August 1951.

The Comptroller General ruled that Public Law 830, approved September 23, 1950, which amended the act of August 2, 1946 (60 Stat. 808), otherwise known as the Administrative Expense Act, made no provision for paying the return transportation unless the employee is returning to be separated from employment.

That is, employees in the extraterritorial possessions of the United States, like Hawaii, Guam, Subic Bay, I imagine, and Puerto Rico, and others, at which we have important Government installations.

This decision by the Comptroller General immediately compelled civilian Government employees on the Islands of Hawaii, Guam, Subic Bay, and other outer continental possessions of the United States, to sever their services with this Government in order to obtain transportation to which they had heretofore been entitled.

In addition to this, the amendment to the appropriations bill, known as the Whitten amendment, made it impossible for an employee to obtain reemployment after an earned vacation or otherwise and had to be given a new appointment since a break in service had occurred. Accordingly, affected employees lost competitive status, retention group preferences, and other advantages given to permanent employees.

The Whitten amendment required that these employees be given indefinite appointments and their status of course was not safe or definite. Of course, it was difficult to get employees under those conditions and that is where the Government had to pay through the nose.

It is my opinion that the present law was not intended to compel an employee to resort to this type of activity in order to gain justice

from his Government. It is also my opinion from the many years I have served on the military committees—the 14 years I have been in Congress—that the Government has substantial investment in these people by way of training, proficiency, and qualifications that it should not be compelled to lose these employees at these important bastions in the Pacific and the Atlantic, presently manned and operated by men and women of proven loyalty and abilities. This decision of the Comptroller General makes it difficult indeed to maintain the security of the United States.

I say that because if you are constantly losing your employees, how are you going to keep track of these people?

My bill, Madam Chairman, is in conformity with the policy of the President.

I would like to insert in the record letters I have received from the Bureau of the Budget calling it to my attention and suggesting certain changes in my legislation.

Mrs. CHURCH. Without objection, they will be included.

(The letters referred to follow:)

EXECUTIVE OFFICE OF THE PRESIDENT,  
BUREAU OF THE BUDGET,  
Washington, D. C., July 16, 1953.

HON. L. MENDEL RIVERS,  
*Member, Committee on Armed Services,  
House of Representatives, Washington, D. C.*

MY DEAR MR. RIVERS: This is in reply to your letter of June 30, 1953, in which you ask that recommendations regarding H. R. 179 be made to the House Committee on Armed Services.

In its reply to the House Committee on Government Operations which requested views on this bill, the Bureau indicates its concurrence in the objectives of the bill and advises that its enactment is in accord with the program of the President. A copy of this letter is enclosed.

Sincerely yours,

ROWLAND HUGHES,  
*Assistant Director.*

EXECUTIVE OFFICE OF THE PRESIDENT,  
BUREAU OF THE BUDGET,  
Washington, D. C., July 16, 1953.

HON. CLARE E. HOFFMAN,  
*Chairman, Committee on Government Operations,  
House of Representatives, New House Office Building,  
Washington, D. C.*

MY DEAR MR. CHAIRMAN: This is in reply to your letter of February 17, 1953, requesting the views of the Bureau of the Budget on H. R. 179, a bill to amend section 7 of the Administrative Expenses Act of 1946, as amended.

This bill would amend section 7 of the Administrative Expenses Act of 1946 in the following three provisos: First, authorizing the payment of expenses of return travel and transportation for an employee and his family between tours of duty overseas; second, authorizing the payment of expenses of the return of the family and effects of an employee who has acquired eligibility for such transportation prior to his return or when the public interest requires the return of the dependents for compelling personal reasons of a humanitarian or compassionate nature; and third, authorizing the reimbursement of an employee for expenses he incurs in returning his family and household goods prior to his return, at such time as he acquires eligibility.

The Bureau of the Budget believes that the provisions of H. R. 179, subject to certain changes which will clarify the language of the bill, should be enacted as a measure which will permit savings to the Government through reduction in costly turnover among overseas employees who are not subject to the Foreign Service Act of 1946, and who do not, therefore, receive consideration of the kind provided in that act. H. R. 179 would, in limited respects, provide a greater

uniformity of treatment of Federal employees overseas, as well as saving at least a portion of the present expenditures for recruiting and training replacements.

In their reports to your committee on this bill, the Secretary of Army on behalf of the Secretary of Defense, and the Secretary of Commerce, are recommending its enactment subject to certain changes in language. The Bureau concurs in these suggestions and in addition believes that it would be desirable, for the purpose of standardizing terminology, that the terms "authorized dependents" found on page 1, line 8, and "dependents" on page 2, line 14, of the bill be deleted, and the term "immediate family," as found on page 2, lines 8 and 20, and presently in the act in this section and elsewhere, be substituted.

The Bureau also suggests that, as the Bureau and the departments concerned believe that the three provisions of this bill should be equally applicable to the many employees hired in or transferred from such Territories as Hawaii for service in the Orient, or Puerto Rico for service in the Caribbean area, the phrase "to the United States" should be deleted from page 2, lines 12 and 21.

Finally, since this bill is intended to allow in the new provisos for the return of transferees as well as new appointees as do present provisions of the Administrative Expenses Act, it is suggested that the words "or transfer" be inserted after "appointment" on page 1, line 10, and the words "at time of appointment" be deleted on page 2, line 11.

I am authorized to advise you that the enactment of H. R. 179, with the changes suggested, would be in accord with the program of the President.

Sincerely yours,

ROWLAND HUGHES,  
*Assistant Director.*

Mr. RIVERS. Madam Chairman, I want to bring this to your attention. I am sure you understand the provisions of the bill. It is very simple. I did not write it, but I agreed to it because it looked good to me. I take no credit for the composition of it, but I take full responsibility for having introduced it.

When an employee decides he cannot come home after he has earned his vacation, and bring those who he thinks are entitled to come—and as you know, the State Department travels all over the landscape of the world and are paid to bring their possessions on a change in assignment—I think that employee does not feel right about it. I do not compare all of these employees with the missions fulfilled by our diplomats, but in their own minds and in their own contributions it is as important to them as it is to the State Department.

I submit that when a man earns his accrued benefits in order to get back home for a vacation he should not be compelled to sever his position with his Government in order to come home, because when he does that the Government loses his services, trained and proven. The Government has to recruit someone else whom they have to pay to go, and they pay it anyway. That is the law.

My bill says, pay this man's way back and pay his way back to his station for those who you decide in your judgment are the justified dependents. It could be the immediate household, or whatever you want to put in there is perfectly satisfactory to me. I just think it is well rounded and straightens out the Comptroller General's decision.

In addition, these supervisors in the Department of Defense have to recruit these people to send to these outlying bastions, wherever they may be. It causes an awful lot of enmity on the part of our supervisors stateside in order to obtain these people. I submit that this legislation should have been considered shortly after the decision of the Comptroller General, but our Government is involved in so many things that I realize it is an impossibility.

I am indebted to you for bringing it up. I am grateful to your committee and your fine chairman for assisting me in it.

I am open to any questions you may have.

Mrs. CHURCH. Thank you. Mr. Hoffman, do you have any questions?

Mr. HOFFMAN. Only one. As I understand it, you did not draft the bill. At whose request did you introduce it?

Mr. RIVERS. At the request of the president of the National Supervisors Association of the Department of Defense. He is a constituent of mine and his name is J. B. Melton.

Madam Chairman, I would like very much to introduce as a matter of record a letter I received from J. B. Melton, the president of the National Association of Supervisors of the Department of Defense. That was dated April 9, 1954.

I introduced the bill, as you know, in January 1953.

Mrs. CHURCH. Without objection, the letter will be included in the record.

(The letter from Mr. Melton is as follows:)

NATIONAL ASSOCIATION OF SUPERVISORS,  
DEPARTMENT OF DEFENSE,  
April 9, 1954.

HON. L. MENDEL RIVERS,  
*House of Representatives, Washington, D. C.*

DEAR MENDEL: Thanks for your letter of April 6, in which you requested information regarding H. R. 179, which you introduced for us. The following is the reason for which we requested your assistance in introducing the above bill.

Public Law 830, approved September 23, 1950, which amended the act of August 2, 1946 (60 Stat. 808), otherwise known as the Administrative Expense Act, governs the matter of paying expenses of travel of employees and expenses of transportation of dependents and household effects of civilian employees upon transfer or appointment to places of duty beyond the continental limits of the United States and upon their return. This statute does not provide for the payment of travel and transportation expenses at Government expense for employees stationed outside the continental limits who return to the United States for vacation leave (with or without dependents) at the end of a stipulated period. In the case of Navy as well as other Department of Defense employees, this employment period is normally for 2 years at a time. The Comptroller General has ruled, under date of August 16, 1951 (B-104200), that the statute, as amended, makes no provision for paying the return transportation unless the employee is returning to be separated from employment.

The problems arising from the above decision makes recruiting of career employees for these important outposts impossible for the following reasons. The high cost of transportation and the distance involve from any post outside the continental limits of the United States will force employees to resign their positions if they desire to return home for the purpose of an extended vacation, in order to return at Government expense, and if he resigns nothing has been saved, for a new employee must be recruited and his transportation is paid to the station of duty. Further, under the above ruling, these employees who desire to return to their overseas job after vacation must be given a new appointment, since a break in service has occurred. In following this ruling the employee loses competitive status, retention group preferences, and all other advantages given to permanent employees. Also, under present regulations all new appointments would be indefinite, as required by the Whitten amendment.

We have become very concerned with the decision of the Comptroller General since the supervisory force are required to assist in recruiting transfers to these outposts, yet we are of the opinion that it was not intended to force an employee to resign and lose his civil-service status in order to return home on vacation or back to his old job. This is a decided hardship and unfair to those who are willing to serve beyond the continental limits of the United States. Many of these employees come from our area as well as other areas.

Since the Comptroller's decision, we supervisors have become quite concerned at the difficulty and in some cases the inability to recruit qualified personnel for Pearl Harbor, Guam, Subic Bay, and other important Department of Defense outposts beyond the continental limits of the United States. As you know, the

only way that these important outlying installations have to secure their trained mechanics is from the various establishments in the United States, and without the properly trained personnel at these stations we believe the security of our country will be jeopardized.

We greatly appreciate your efforts on H. R. 179 and hope the above will be of some value in securing its passage and eliminating the present injustice.

Sincerely,

J. B. MELTON.

Mrs. CHURCH. Are there any other questions, Mr. Hoffman?

Mr. HOFFMAN. No.

Mrs. CHURCH. Mr. McCormack.

Mr. McCORMACK. No questions.

Mrs. CHURCH. Mr. Brooks.

Mr. BROOKS. No questions. Thank you, Madam.

Mrs. CHURCH. I have one question, if I may. Do the provisions of this bill do more or go further than to restore the rights which the employee had before the Comptroller General's decision?

Mr. RIVERS. They are more clearly delineated and they are made by an act of law and not an act of executive order.

Mrs. CHURCH. Do I understand that prior to that decision an employee could transport his furniture back when he came on leave?

Mr. RIVERS. I do not know. I think he was. I just do not know. Maybe some of these people here can tell you that.

Mrs. CHURCH. It will probably be developed in later testimony.

Mr. RIVERS. All I know is it was explained to, Madam Chairman, that these employees were always told they had these rights until the Comptroller General rendered his decision.

Mrs. CHURCH. Had they exercised those rights over a period of years?

Mr. RIVERS. I believe so. But I am sure his decision told them once and for all they did not have it. And that is the advice of the Department of Defense Supervisors Association. Also, all of these supervisors from all over the United States say they have had to recruit employees from Boston, and Charleston, and Portsmouth, and San Francisco, and everywhere. It caused an awful lot of expenditure of effort and very much expense.

This makes it a matter of law and not executive order.

Mrs. CHURCH. Thank you very much.

Mr. RIVERS. May I be excused?

Mrs. CHURCH. Yes, Mr. Rivers.

We have another Member of Congress present, the Delegate from Hawaii, Mr. Farrington.

#### STATEMENT OF HON. J. R. FARRINGTON, A DELEGATE IN CONGRESS FROM THE TERRITORY OF HAWAII

Mr. FARRINGTON. Madam Chairman, I thank you for the opportunity of appearing before the committee. I am here to urge enactment of H. R. 179, which amends section 7 of the Administrative Expense Act of 1946, to restore to Federal personnel outside the United States the privilege of returning every 2 years to their homes in the States at the expense of the Federal Government.

For many years this constituted one of the primary inducements for the recruitment of personnel with highly specialized training who were not available locally for employment at Pearl Harbor. The prac-

tice was revoked under a regulation of the Comptroller General in General Decision No. B 104200 on August 16, 1951.

The legislation is strongly supported by the National Association of Supervisors, Local 19; the Fourteenth Naval District Personnel Supervisors and Representatives Association; and the National Association of Naval Technical Supervisors, Pearl Harbor.

These organizations embrace most of the highly skilled employees of the Pearl Harbor Naval Yard.

In a memorandum on the reasons for this legislation, Stanley Nelson, representing the National Association of Supervisors, has this to say, and I would like to read from it, Madam Chairman, as it presents the issue quite concisely as it applies to the employees at Pearl Harbor, who are in a very important way affected by this legislation.

I might say as a matter of general information that well in excess of 90 percent of the personnel employed at Pearl Harbor are residents and citizens of the Territory of Hawaii. The policy of the Federal Government is to employ the local residents. But there are certain highly skilled fields for which they have to go elsewhere for personnel, and it is the latter who are involved in this legislation. The following illustrates in a very specific way how this operates.

At the Pearl Harbor Naval Shipyard and other activities of the 14th Naval District there are approximately 850 mainland contract employees. Total civilian employment in the 14th Naval District is slightly over 13,000.

So you see it is less than 10 percent of the total.

The mainland contract personnel occupy, in the main, engineer jobs, top administration posts, and certain skilled mechanical jobs, such as—electronics mechanics, radio mechanics, and fire-control mechanics. These are positions which the employing activities have been unable to fill in Hawaii's local labor market. Although broadened programs at the local university, broadened apprentice programs, and good training programs within the activities make it likely that in 15 or 20 years the Territory can pretty well supply virtually all local needs of Federal agencies, it is fair to say at the present time that mainland recruited personnel constitutes a nucleus without which some activities, particularly the naval shipyard, could not operate efficiently.

#### PRACTICE PRIOR TO COMPTROLLER GENERAL DECISION B-104200 OF AUGUST 16, 1951

Standard practice on mainland recruitment is to bring personnel out on a 2-year employment agreement. This agreement brings out the employee, his dependents, and his household goods at Government expense. It further provides that upon completion of the contract term, the employee is entitled to be returned with his dependents and household goods to his place of recruitment. Up until February 8, 1952, the practice was as follows:

1. Sometime after completion of the 2-year contract the employee and his dependents would return to the mainland point of recruitment at Government expense upon completion of contract orders.

2. Mainland leave averaging approximately 45 days would be taken by the employee.

3. After his leave was completed the employee would return to Hawaii with his family under the terms of a renewal employment agreement which he had signed before he left Pearl Harbor. This renewal agreement would obligate the employee for 2 years more of service. It is important to note that during the time the employee was on the mainland, his activity carried him on the rolls in annual leave status so that the employee had no break in service or change in civil service status.

Advantages to the employee under this setup were:

1. Opportunity to see one's relatives on the mainland.
2. Improved health by virtue of getting some change in climatic environment.
3. An assured job upon return from mainland leave.

4. A paid mainland vacation which would otherwise be virtually impossible since the average civilian servant with family has great difficulty in saving enough to make a mainland trip.

Advantages to the employer under this setup were:

1. Low turnover among the personnel concerned.

2. Consequent minimum expense in training personnel in key billets.

3. Stability in the organization which is extremely desirable particularly in the Military Establishment. In the Military Establishment there is periodic rotation of officer personnel. It is, consequently, very important that technical personnel and administrative personnel furnish continuity in the application of policy, know-how, and procedures.

It will be noted that the advantages to the employing activity stem largely from the fact that employees were satisfied and entirely willing to sign renewal agreements. They found Hawaii a satisfying place to live and work as long as there was reasonable job security and a periodic opportunity to renew their mainland ties.

I will ask, Madam Chairman, that the balance of this statement be incorporated in the record at this point.

Mrs. CHURCH. Without objection, it will be included in the record at this point.

(The document is as follows:)

STATEMENT OF HON J. R. FARRINGTON, A DELEGATE IN CONGRESS FROM THE  
TERRITORY OF HAWAII

RULINGS UPSETTING THE ABOVE PRACTICES

On October 16, 1951, the Comptroller General handed down the decision referred to above. This decision held that under Public Law 600 (approved October 2, 1946), as amended by Public Law 830 (approved September 23, 1950), it was no longer legal to pay an employee's way back to the mainland if the purpose of the trip was to take mainland leave. Only if the employee was being separated could travel expenses be paid. As a consequence, the Navy Department discontinued its previous use of renewal employment agreements on February 8, 1952. The Navy Department was also informed by the General Accounting Office that no former overseas employee could be rehired until the time had passed covering any lump-sum leave payment made to him. Also operating in this situation is the so-called Whitten amendment. A fourth ruling pertaining to the situation is a civil service regulation which forbids the appointment of any mainland personnel not possessing competitive civil service status as long as there are any eligibles for the position on the register of the Honolulu office of the Civil Service Commission.

PRESENT PRACTICES

Because of the above rulings, it is not possible at the present time for a mainland-hired employee who wants to go to the mainland upon completion of contract and come back again at Government expense, to remain on the rolls of the activity throughout the process and merely sign a renewal employment agreement. Instead, he must go through these steps:

1. Return to his mainland home on completion of contract orders.

2. Be separated from the rolls of his employing activity upon his arrival in San Francisco.

3. Be paid a lump-sum leave payment for such leave as he had accumulated—45 days, for example.

4. Stay off the rolls until such time as his leave would have elapsed—for example, 45 days if that was the amount of leave he had.

5. Be given a new appointment and a new 2-year contract, both effective upon expiration of the time when his leave, if taken day by day, would have run out.

DISADVANTAGES OF PRESENT PRACTICE

The present practice has serious disadvantages both to employees and the employing activity.

In the case of a permanent civil-service employee, he loses his permanent status when he takes a new appointment under these conditions. By operation of the Whitten amendment the new appointment must be an indefinite appointment in

lieu of reinstatement. By taking such an appointment, the career employee drops into a lower retention group by reduction-in-force purposes. For example, a career employee who is a veteran, by taking the new appointment, would drop from retention group I-A to retention group II-A. Instead of being in the top retention group he falls into the third retention group, behind permanent nonveterans. It will be noted also that the employee must use up absolutely all his leave, leaving no reserve for emergencies which may occur. As might be expected, under these circumstances the career employee, and this includes most of the top civilian administrators and professional personnel, does not wish to jeopardize his career status by taking an indefinite appointment. He is then faced with the alternatives of staying here indefinitely without any mainland visits or making a transfer to a mainland activity. A number of career employees, having only these two alternatives, have already transferred. Many others are seriously considering doing so since family pressure and changes in attitude tend to bring about this point of view. It is one thing to live in Hawaii knowing that there will be a mainland trip every few years. It is quite another for a mainlander to live in Hawaii indefinitely with little prospects of getting back to the mainland for a trip and to see one's family.

With respect to employees who do not have permanent civil-service status, the situation is equally unsatisfactory. Included in this category is a considerable number of professional engineers hired on indefinite appointments after September 1, 1950. Many of these men have acquired valuable know-how at their activities and they cannot readily be replaced. Many are generally pretty well satisfied with their jobs and life in Hawaii and their employers would like to retain them. However, under the present practice, the activity does not have very much to offer, particularly when it is remembered that engineers are in short supply and newspapers in any large city contain many columns of help wanted ads in this category. When such an employee goes back to the mainland upon completion of contract, he knows that he cannot be rehired by the Hawaiian activity until his leave runs out. He knows also that there is a chance that the activity may not be able to rehire him because of the civil-service regulation mentioned under the heading "Rules Upsetting the Above Practices." In other words, if a local applicant comes up on the Honolulu register of the Civil Service Commission before the mainlander is rehired, the activity cannot rehire the mainlander. Ordinarily, the personnel under discussion have little in the way of financial reserve to fall back upon. Therefore, when such an employee decides he wants to make a mainland trip, he tries to protect himself with continuity of employment by either negotiating a job before leaving Hawaii or starting to look around for one as soon as he arrives on the mainland. Summarizing, since the activity cannot make a definite commitment to him, as would be the case if they could give him a firm renewal contract before leaving, the man has to look around for a job and he generally finds one.

From the standpoint of the employing activity, the present practice is extremely disadvantageous. As mentioned above, there is a trend for career employees to leave the Hawaiian area. It is difficult to get qualified replacements from the mainland, since career employees there are familiar with the present shortcomings in the Hawaiian setup. Also, as outlined above, the employee working on an indefinite appointment tends not to return once he decides to go to the mainland. This has resulted, therefore, in the case of both permanent and indefinite employees, in increased personnel turnover. This has in turn caused increased training costs and reduced efficiency. Consider, for example, the loss involved to the Government by its inability to offer an attractive renewal contract proposition to young engineers who have been recruited immediately following graduation. In the 2 years of service at the 14th Naval District activities, such employees have just begun to be of real value. They have gone through a training period and acquired some knowledge of their particular field. Then, because of the unsatisfactory renewal contract situation, the young engineer separates and it becomes necessary to hire another man fresh out of school to take his place. The most unfortunate part of the whole picture is that the expense in bringing out the new man is not a bit less than it would be to bring the experienced man back again after a mainland vacation. In fact, the expense for the experienced man is normally less, since on renewal contracts there is usually very little bringing out of additional household goods.

It is well to note that at the present employment level in the 14th Naval District the situation is acute enough; were a worsening of the Asiatic situation to require employment at an appreciably higher level in the Hawaiian area, the situation would become even more acute.

## WHAT PASSAGE OF H. R. 179 WOULD ACCOMPLISH

This bill would in effect amend Public Law 600 to permit return to the former renewal agreement procedure described in Practice Prior to Comptroller General Decision B-104200 of August 16, 1951, above. It is understood that the bill has Department of Defense and Navy Department endorsement. Prompt passage of this legislation would do much to prevent a further exodus of experienced key personnel, would reduce turnover, reduce training costs, and generally operate to the Government's interest by promoting that efficiency which results from a stable nucleus of experienced administrators, professional personnel, and skilled tradesmen not locally available. There would be no increased costs to the Government by virtue of the passage of such legislation since, as outlined above, replacement for personnel leaving must still be obtained in the mainland labor market.

Mr. FARRINGTON. I would like also to place in the record a letter from Mr. Frederick H. Otis of the American Federation of Technical Engineers, Local 121, Honolulu, Hawaii.

Also a letter from Peter A. Proskefalas, vice president of the Pacific Ocean area of the National Association of Supervisors, in support of this legislation.

Mrs. CHURCH. Without objection, it will be included in the record. (The documents are as follows:)

AMERICAN FEDERATION OF TECHNICAL ENGINEERS, LOCAL 121,  
Honolulu, Hawaii, April 19, 1954.

HON. WILLIAM E. MILLER,

*House of Representatives, Washington, D. C.*

DEAR MR. MILLER: As a member of the above organization and a resident of the State of New York, I would like to call to your attention the desirability of passage of H. R. 179. This bill comes up for hearing before a subcommittee of the Government Operations Committee on April 30.

At the present time it is impossible for engineering and other technical personnel of mainland background working in the Hawaiian area to get any "home leave" except under the most unfavorable conditions. If they are employees with permanent civil-service status, they lose such status and must accept an indefinite appointment if they desire to go home and come back out to Hawaii under a new contract. Engineers who do not have permanent status are equally bad off. Even if they and their employing activity agree 100 percent on the desirability of a new contract agreement, the present regulations make it impossible for the employer to make a firm commitment to the employee which he can count on when he goes up to the mainland on leave.

It has been the observation of this organization that many naval activities in this area possess a nucleus of skilled professional help recruited on the mainland upon whom the activities must rely heavily. This is so because skills they possess are not available in the local labor market. Since the rendering of Comptroller General Decision No. B-104200 of August 16, 1951, the situation has been extremely unfavorable to the recruitment and retention of qualified personnel. Turnover has increased among such personnel, as have also costs of training them. There tends to be a constant replacement of experienced personnel with new hands which could be largely avoided if the home-leave situation were improved. I would also like to point out that present conditions are of no advantage to the Government economywise, since, as mentioned above, the replacement cannot be obtained locally. What happens is that an experienced man goes back to the mainland to stay after serving his contract term and a green man comes out at Government expense to take his place.

I strongly urge your attention to this problem. Passage of H. R. 179 will restore practices existing in this area prior to August 16, 1951, and will do a lot to reduce turnover and achieve the stable, experienced corps of professional personnel so essential to the conduct of the Government's business in this vital defense area.

Sincerely yours,

FREDERICK H. OTIS.

NATIONAL ASSOCIATION OF SUPERVISORS,  
DEPARTMENT OF DEFENSE,  
April 19, 1954.

HON. JOSEPH R. FARRINGTON,  
*Delegate from Hawaii,*  
*House of Representatives, Washington 25, D. C.*

DEAR MR. FARRINGTON: I would like to avail myself of this opportunity to introduce myself by this letter until such time as I have the pleasure of meeting you. Although I have met you on a number of occasions, those meetings were rather casual group meetings.

At the annual convention of the National Association of Supervisors, Department of Defense, held in Washington, D. C. this past February I was elected national vice President, Pacific Ocean area replacing Mr. Fred P. Colson who formerly held this position. I have been designated by our National President Melton to serve and represent the locals of supervisors at Pearl Harbor and Guam for the ensuing year.

Brother Stanley Nelson, secretary of Local No. 19, showed me the letter you had sent him in connection with H. R. 179. We were very pleased to learn that hearings would be conducted on Congressman Rivers H. R. 179 on April 30, 1954. A considerable number of overseas Federal employees are very much in favor of passage of this bill. Our membership in the Pacific Ocean area and our national association is indeed grateful to you for the support you have rendered on our behalf not only on this bill but with numerous other matters. I earnestly urge your continued support.

I am enclosing a copy of a letter sent by our National President Melton to Congressman Rivers pertaining to H. R. 179. The letter outlines our position quite thoroughly.

With best wishes and kindest regards, I am  
Yours very truly,

PETER A. PROSKEFALAS,  
*Vice President, Pacific Ocean Area.*

MR. FARRINGTON. I think that concludes my statement, Madam Chairman.

MRS. CHURCH. Thank you, Mr. Farrington.

MR. HOFFMAN, do you have any questions?

MR. HOFFMAN. No questions.

MRS. CHURCH. Mr. McCormack.

MR. MCCORMACK. No questions.

MRS. CHURCH. Have you any comment on my question as to whether or not this bill goes further than the privileges accorded before the Federal decision was rendered?

MR. FARRINGTON. I cannot say, Madam Chairman. I think it probably defines the situation better than it was defined before.

MRS. CHURCH. To your knowledge did the employee going back on leave at Hawaii take his household effects with him at Government expense?

MR. FARRINGTON. I do not know that he did. I know that what has happened is that as a result of the Comptroller General's ruling some of the expert personnel have taken retirement and gone back to the States, and have then been reemployed and brought out again. So that the Government is paying as much, if not more than it paid before, to obtain the services of such individuals.

The individual involved loses his status under the civil service.

Of course, this arrangement under which they have the opportunity of returning to the States is a very desirable one. It is my understanding they return on Government transportation because such transportation is available. It seems to me, under the circumstances, there is a good deal to be said in favor of it as it applies to a very limited group, but an extremely important group of men.

Incidentally, Stanley Nelson, whom I quoted, is a resident of your district, I believe. He said he is a resident of Illinois and told me he is head of the Illinois Club at Pearl Harbor.

Mrs. CHURCH. I am very happy to hear that. I am only surprised at your admission that anybody wants to leave Hawaii, even to take leave. I think it is generous of you.

Mr. FARRINGTON. What happens, you see, is once they leave, the impulse to return is so great that they are asking the assistance of the Government to get back. It is extremely important for their welfare.

Mrs. CHURCH. Thank you, Mr. Farrington.

We have certain witnesses here from the Defense Department. We have Mr. Mangan from the Army. Identify yourself for the reporter, please.

**STATEMENT OF ROBERT M. MANGAN, OFFICE OF CIVILIAN PERSONNEL, DEPARTMENT OF THE ARMY; ACCOMPANIED BY GEORGE B. GELVIN, OFFICE OF INDUSTRIAL RELATIONS, DEPARTMENT OF THE NAVY; MARION COLTRIN, DIRECTORATE OF CIVILIAN PERSONNEL, DEPARTMENT OF THE AIR FORCE; AND LT. MALCOLM L. COY, OFFICE OF THE ASSISTANT CHIEF OF STAFF, G-1, DEPARTMENT OF THE ARMY**

Mr. MANGAN. I am Robert M. Mangan, from the Office of Civilian Personnel, Department of the Army.

Madam Chairman, I have a prepared statement which outlines the considerations which we think are important in reviewing this bill, and I would like to read it and then be available for any further questions that the committee may have afterward, if that is acceptable.

Mrs. CHURCH. You may, Mr. Mangan.

Mr. MANGAN. The Secretary of Defense has delegated to the Department of the Army responsibility for expressing the views of the Department of Defense and other military departments with regard to H. R. 179.

Today I am accompanied by Mr. George B. Gelvin, Office of Industrial Relations, Department of the Navy; Mr. Marion Coltrin, Directorate of Civilian Personnel, Department of the Air Force, and Lt. Malcolm L. Coy, Office of the Assistant Chief of Staff, G-1, Department of the Army, who are available as supporting witnesses should questions arise concerning specific practices in the agencies which they represent.

Mrs. CHURCH. Is this a joint statement for the three of you?

Mr. MANGAN. That is correct.

Mrs. CHURCH. You may proceed.

Mr. MANGAN. The Department of Defense believes enactment of H. R. 179 will contribute materially to more effective and economical overseas operations. It is confidently predicted that actual dollar savings will be achieved through this legislation through elimination of costly and illogical administrative procedures and reduced turnover among employees who but for such procedures would remain on our rolls.

H. R. 179 would make two significant changes in section 7 of the Administrative Expenses Act of 1946, as amended. First, it would

grant authority to pay travel expenses to civilian employees stationed overseas and of their immediate families in connection with taking periodic leaves of absence in the United States.

Second, it would provide a specific statutory basis for returning the immediate families and household goods of civilian employees stationed overseas to the United States under certain circumstances in advance of an employee's return.

Section 7 of the Administrative Expenses Act of 1946 was originally enacted to provide general and standard authority for transporting personnel, their household goods and dependents to overseas posts of duty and return therefrom upon completion of assignments. This authority consolidated and superseded a number of specific legislative authorizations for such transportation expenses which had been enacted for individual agencies over a period of years. The basic statute has been amended once in Public Law 830, 81st Congress, to clarify the authority to pay return transportation upon completion of an agreed period of overseas service.

Prior to 1949, the military departments—apparently in common with most Federal agencies—had considered that this statute conferred sufficient authority to permit employees and their immediate families to return to the United States for leave purposes upon completion of an agreed employment period, and also to provide transportation to dependents whenever personal reasons made it necessary for them to return to the United States in advance of the employee.

The Comptroller General had specifically considered and approved the practice of returning employees for leave purposes, both under the authority contained in prior statutes (decisions dated July 11, 1946 (B-58788) and November 15, 1946 (B-61290) to the Secretaries of the Navy and War, respectively) and under the Administrative Expenses Act of 1946 (28 Comp. Gen. 168). However, on October 6, 1949, the Comptroller General reconsidered those earlier decisions and held that—

\* \* \* there is nothing in the provisions of section 7, or in its legislative history, which may reasonably be construed as authorizing the return of employees to the United States at Government expense for the purpose of taking leave (29 Comp. Gen. 157).

Subsequently, the Comptroller General reaffirmed this latter position and held that the amendment enacted in Public Law 830, 81st Congress, created no additional authority to provide transportation for leave purposes (31 Comp. Gen. 36).

The matter authorizing travel for leave purposes remains a very serious problem because there has been no relaxation of the decisions which prohibit such travel at Government expense. That is not to say, however, that the Government is saved the expense of providing transportation for overseas employees who wish to return to the continental United States for a home visit. Under present law, employees have a vested right to return transportation upon satisfactory completion of a fixed tour of duty. The decisions prohibiting leave travel do not and cannot negate the right to return travel upon separation from the service.

Since an employee may return to the continental United States only for absolute separation, he must resign his position in order to return home, even though he may fully intend to perform another period of

service in the same overseas area. This involves a sizable administrative burden because the paper processes of separation, final salary payment, tax adjustments on lump-sum leave payment, reappointment, security clearances, and so forth, must be followed. In addition, in Hawaii, Puerto Rico, and the Canal Zone, permanent civil-service employees who return to the continental United States lose their permanent retention rights. This occurs because separation is required, and the Supplemental Appropriation Act, 1952, as amended (the Whitten amendment), prohibits permanent reinstatement.

Mr. McCORMACK. At that time they lose their leave rights? They are on an indefinite status; are they?

Mr. MANGAN. They are restored on an indefinite basis. It does not affect their leave as such, sir.

Mr. McCORMACK. I mean, the leave earned after an indefinite status.

Mr. MANGAN. No. Leave is earned on the basis of the total amount of service.

Mr. McCORMACK. Whether permanent or indefinite?

Mr. MANGAN. That is right.

Mr. McCORMACK. Does it affect anything on retirement?

Mr. MANGAN. No, sir.

Mr. McCORMACK. What does it affect?

Mr. MANGAN. It affects only their status for retention in the service in the event of a reduction in force in that indefinite employees have less tenure than permanent employees.

In other words, all indefinite employees must be terminated before you get to the permanent group. In this connection that is the chief distinction.

Mr. McCORMACK. But it is an important one.

Mr. MANGAN. Yes, sir. It runs to the root.

Mr. McCORMACK. It goes to the question of security.

Mr. MANGAN. Yes.

Mr. McCORMACK. That is, financial security for a man and his family.

Mr. MANGAN. Yes, sir.

Mr. McCORMACK: I did not mean to interrupt, but do you mind if we interrupt and clarify things as we go along?

Mr. MANGAN. Not at all, sir.

Household goods and personal effects are returned to the continental United States even though the employee plans to reenter employment after his home visit. In many cases, experienced and valuable employees are lost from Government employment as a result of these requirements, and the departments must then resort to recruitment, transportation, and orientation of new persons—at greatly increased expense to the Government. The resultant costs of recruiting new employees, and in most instances costs of shipment of household goods from some point in the continental United States to the overseas post, must again be paid.

There is neither logic nor economy in this practice. It is a gross understatement to say that the Department would normally much prefer to grant a period of leave for return to the United States and to pay the travel attendant thereto.

Mr. McCORMACK. Would it not be also an inducement for an employee to agree to go back?

Mr. MANGAN. Yes, sir.

Administrative practices with regard to advance return of dependents have followed a similar course. Although there had been no formal interpretation of the statute on the point, the military departments had authorized such transportation, providing the employee had completed his agreed period of employment or agreed to remain for that period unless separated for reasons beyond his control. However, in 1949 the Comptroller General ruled (29 Comp. Gen. 160) that—

\* \* \* there can be no valid travel authority issued for dependents alone, and in any case where the return travel of dependents occurs prior to the issuance of proper orders directing the return of the employee and his dependents \* \* \* the expenses incident thereto may not be paid from appropriated funds.

Subsequently, the Department of the Army engaged in further discussion and correspondence with the Comptroller General on the subject of advance return of dependents of civilian personnel. As a result, two decisions were rendered (June 25, 1952 (B-108678) and September 26, 1952 (B-108678)) which substantially reversed that quoted immediately above, on the basis of the amendment contained in Public Law 830.

It is now held that dependents and household goods may be returned in advance of the employee at Government expense at any time after he has completed his agreed tour of duty and has otherwise become entitled to return transportation; in addition, where compelling personal circumstances require that dependents be returned before the employee becomes entitled to transportation at Government expense, the employee may be reimbursed for the expenses incurred in such return upon completion of his agreed period of service.

Mr. McCORMACK. Will you give us a case that would apply to?

Mr. MANGAN. Yes, sir. For example, in Germany we require a 2-year contract of employment. If an individual has completed his 2 years of employment and there is illness in the family such that his wife wants to return to the United States, under these decisions we may now return the wife and family and household goods at Government expense. However, if he had served only 1 year we could not return the dependents and household goods at Government expense. The employee would be required to pay that cost out of his own pocket. But if he remained in employment to complete his 2-year period of service, then he could be reimbursed for the out-of-pocket expenses of having returned his family previously.

Mr. HOFFMAN. May I ask another question?

Mrs. CHURCH. Mr. Hoffman.

Mr. HOFFMAN. If the wife wanted to go back and the husband continued in employment in Germany, would you pay her expenses back?

Mr. MANGAN. No, sir. There is only a one-time return transportation in connection with any employment agreement.

Mr. McCORMACK. But if he agreed to extend his employment 2 more years, what would happen?

Mr. MANGAN. If he came back on leave then the dependents could accompany him back.

Mr. McCORMACK. Suppose a man does not want to go back and wants to work on for 2 more years?

Mr. HOFFMAN. But wants to send his wife back?

Mr. McCORMACK. Yes. And his wife is there for personal reasons.

Mr. MANGAN. Under the existing decision he would be entitled only to return his dependents once to the United States. We have no provision now until he separates and comes back to the United States himself and signs a new agreement, and then he can take his dependents back with him.

This bill would permit him to pick up his dependents in connection with his own leave at a later time.

Mr. HOFFMAN. When you said take his wife back with him, you mean also his household goods?

Mr. MANGAN. Yes, sir. If they had been returned.

Mr. McCORMACK. If a man is going to come back for leave and then go back again, what would be the necessity of bringing over his household goods if he is going to go back for 30 days?

Mr. MANGAN. There would be none. Prior to 1951 we did not return household goods when he came back for leave. But under the existing interpretation of the statute there must be a complete and bona fide separation from the service, which encourages people to leave the service, because they resign and get back to the United States and find that they have a different attitude toward overseas employment. They have completely severed their ties with their Government position, and so remain here. But there is no logic when an individual is employed in Germany and comes home on 30 to 60 days' leave and is going back to Germany—there is no logic whatever in returning his household goods.

Mr. McCORMACK. But there are cases where a man intends to make a permanent separation.

Mr. MANGAN. Yes, sir.

Mr. McCORMACK. And comes over here and for some reasons of his own which are immaterial, he might find he liked his job over there better than he thought he did when he was over there. He visits his relatives and then wants to go back and he might find it difficult also to get a satisfactory position over here, so he wants to go back. It is all a matter of good faith. I can see that.

Mr. MANGAN. Yes, sir. He can change his mind.

Mr. HOFFMAN. You say there is no logic with reference to the household goods. If he separates from the service and in the meantime he acquires household goods in Germany, he can ship them back here at Government expense, can he not?

Mr. MANGAN. The regulations of the Department of the Army stipulate that they will not ship back from an overseas post any greater amount of household goods than the Government sent over.

Mr. HOFFMAN. That is true enough, but suppose they are dissatisfied with the style and quality of the household goods they took over to Germany and have replaced them. They can then ship back what they bought, can they not?

Mr. MANGAN. The same weight?

Mr. HOFFMAN. Yes. And when he gets to the United States he can sell that and buy some American goods and ship them back to Germany?

Mr. MANGAN. Under the present arrangements that is true.

Mr. HOFFMAN. Is there any regulation looking into that sort of trade? Or anything to prevent it?

Mr. MANGAN. No, sir.

Mr. HOFFMAN. It is open to abuse, is it not?

Mr. MANGAN. I believe that there would be circumstances where it could be abused. However, it is very difficult to do more than control the amount of weight shipped. You cannot get an inventory of every individual's household goods.

Mrs. CHURCH. Is it your understanding, Mr. Mangan, that if this bill were passed the limits of weight set by each branch of the service would apply, or is the matter left wide open? You say nothing about that.

Mr. MANGAN. The limits of weight are contained in section 1 of the Administrative Expense Act.

Mrs. CHURCH. Is that uniform?

Mr. MANGAN. It is uniform for all civilian employees except the Foreign Service of the State Department.

Mr. McCORMACK. That is already law?

Mr. MANGAN. Yes, sir. The limitation is 7,000 pounds net weight or 8,750 pounds gross weight, including packing.

Mrs. CHURCH. Would this make it possible for people to buy things over there that are not necessarily household goods and ship them in up to that limitation of weight?

Mr. MANGAN. Madam Chairman, as far as the Department of the Army is concerned—I am not sure of the regulations of the other services—we have a limitation that we will not ship back at Government expense any greater weight allowance than was taken over.

Mrs. CHURCH. But you have no control over the contents?

Mr. MANGAN. We have no control over what happens to be in a lift van.

Mr. McCORMACK. You shook your head. Do you represent some other agency?

Mr. DuFLON. The Civil Service Commission. I will testify later.

Mrs. CHURCH. Perhaps you would like to go on, Mr. Mangan.

Mr. MANGAN. Yes, Madam Chairman.

It is now held that dependents and household goods may be returned in advance of the employee at Government expense at any time after he has completed his agreed tour of duty and has otherwise become entitled to return transportation; in addition, where compelling personal circumstances require that dependents be returned before the employee becomes entitled to transportation at Government expense, the employee may be reimbursed for the expenses incurred in such return upon completion of his agreed period of service.

It will be seen, therefore, that existing law has been construed to permit substantially all that the last two provisos of H. R. 179 would accomplish. The only difference lies in the fact that in those cases where dependents are now returned "for compelling personal reasons of a humanitarian or compassionate nature," prior to completion of an agreed tour of duty, the employee must bear the expense of such return subject to reimbursement upon becoming eligible for return transportation at Government expense.

It would be highly desirable, of course, to have the added authority to meet that situation without the hardships or inconvenience which might face some employees in returning their families from distant overseas posts.

Mrs. CHURCH. At what level is the decision made as to whether the situation justifies return?

Mr. MANGAN. It is normally in the hands of the overseas commander, exercised for him by the personnel office of the overseas command. We have not had this problem recently because we have not been returning people at Government expense. But in the cases of the military, for example, I know that the commanding general of the overseas command is authorized to make that determination. It might be by a person designated by him.

Mr. McCORMACK. That has been decentralized all along the line, has it not, even with relation to enlisted men, and so forth?

Mr. MANGAN. Yes, sir. It is in the hands of the overseas commander, who is on the spot, to make the determination. Those are the main points on the substance of this bill. I would like to offer the following comments with regard to some of the specific language:

(a) It is suggested that the order of the three provisos added by the bill be changed by making what is now the first proviso of the bill the last proviso of the bill. The last two provisos of the bill relate directly to the authority granted in the preceding portion of the present section 7, Administrative Expenses Act of 1946 (60 Stat. 806), as amended (5 U. S. C. 73b-3), whereas the first proviso of the bill granting authority for leave travel is a new and separate provision.

(b) It is suggested that page 2, line 5, be amended by inserting the words "or some other" after the word "same." This change would preclude limiting the beneficial effects of the bill to cases where the employee has agreed to serve another tour of duty at the same overseas post at which he previously served. There will be cases in which the employee will have agreed to serve another tour of duty at a different overseas post, and it is believed that in such cases the employee should have the same rights of return for leave purposes as if he were returning to his previous post of duty.

(c) It is suggested that several other minor editorial changes be made in the language of the bill.

Mr. McCORMACK. What do you mean by "editorial"?

Mr. MANGAN. Technical changes of language to clarify; those which are entirely word changes which do not affect the substance, Mr. McCormack.

These changes were discussed in Mr. Stevens' letter of July 20, 1953, to Chairman Hoffman, expressing the views of the Department of Defense on this legislation.

These changes do not affect the intent or substance of the bill, and I would like to have the Department's formal report on the bill inserted in the record, and your staff can consider those editorial changes when they are considering the bill.

Mrs. CHURCH. Does that letter include your last suggestion about changing the order of the provisos, Mr. Mangan?

Mr. MANGAN. Yes, madam.

(The formal report of the Department on the bill is as follows:)

DEPARTMENT OF THE ARMY,  
Washington 25, D. C., July 20, 1953.

HON. CLARE E. HOFFMAN,

*Chairman, Committee on Government Operations,  
House of Representatives.*

DEAR MR. CHAIRMAN: Reference is made to your request to the Secretary of Defense for the views of the Department of Defense with respect to H. R. 179, a bill to amend section 7 of the Administrative Expenses Act of 1946, as amended. The Secretary of Defense has delegated to the Department of the Army the responsibility for expressing the views of the Department of Defense thereon.

H. R. 179 would amend section 7 of the Administrative Expenses Act of 1946, as amended, in two respects. First, it would grant authority to pay the travel expenses of civilian employees stationed overseas and of their immediate families in connection with taking periodic leaves of absence in the United States. Second, it would provide a specific statutory basis for returning the immediate families and the household goods of such employees to the United States in advance of the employee's return. The Department of Defense considers such authority to be essential to its effective operations overseas. In particular, the first proviso in the amendment proposed by H. R. 179 is clearly needed and its enactment is urged at the earliest practicable time. While the objectives sought by the two following provisos have been met in large part by recent decisions of the Comptroller General, the Department of Defense agrees that their enactment into a clear statutory standard would be highly desirable.

Section 7 of the Administrative Expenses Act of 1946 was originally enacted to provide general and standard authority for transporting personnel, their household goods, and dependents to overseas posts of duty and return therefrom upon completion of assignments. This authority consolidated and superseded a number of specific legislative authorizations for such transportation expenses which had been enacted for individual agencies over a period of years. The basic statute has been amended once, in Public Law 830, 81st Congress, to clarify the authority to pay return transportation expenses upon completion of an agreed period of overseas service.

Prior to 1949 the military departments (apparently in common with most Federal agencies) had considered that this statute conferred sufficient authority to permit employees and their immediate families to return to the United States for leave purposes upon completion of an agreed employment period, and also to provide transportation to dependents whenever personal reasons made it necessary for them to return to the United States in advance of the employee. The Comptroller General had specifically considered and approved the practice of returning employees for leave purposes, both under authority contained in prior statutes (decisions dated July 11, 1946 (B-58788) and November 15, 1946 (B-61290), to the Secretaries of the Navy and War, respectively) and under the Administrative Expenses Act of 1946 (28 Comp. Gen. 168). However, on October 6, 1949, the Comptroller General reversed those earlier decisions and held that "there is nothing in the provisions of section 7, or in its legislative history, which may reasonably be construed as authorizing the return of employees to the United States at Government expense for the purpose of taking leave" (29 Comp. Gen. 147). Subsequently, the Comptroller General reaffirmed his earlier position and held that the amendment enacted in Public Law 830, 81st Congress, had not created any greater authority to provide transportation for leave purposes (31 Comp. Gen. 36).

Administrative practices with regard to advance return of dependents have followed a similar course. Although there had been no formal interpretation of the statute on the point, the military departments had authorized such transportation, providing the employee had completed his agreed period of employment or agreed to remain for that period unless separated for reasons beyond his control. However, in 1949 the Comptroller General ruled (29 Comp. Gen. 160) that "there can be no valid travel authority issued for dependents alone, and in any case where the return travel of dependents occurs prior to the issuance of proper orders directing the return of the employee and his dependents \* \* \* the expenses incident thereto may not be paid from appropriated funds."

During the past year the Department of the Army has engaged in further discussion and correspondence with the Comptroller General on the subject of advance return of dependents. As a result, two decisions have been rendered (June 25, 1952 (B-108678) and September 26, 1952 (B-108678)) which substantially reverse that quoted immediately above. On the basis of the amendment contained in Public Law 830, it is now held that dependents and household goods may be returned in advance of the employee at Government expense at any time after he has completed his agreed tour of duty and has otherwise become entitled to return transportation; in addition, where compelling personal circumstances require that dependents be returned before the employee becomes entitled to transportation at Government expense, the employee may be reimbursed for the expenses incurred in such return upon completion of his agreed period of service. It will be seen, therefore, that existing law has been construed as permitting substantially all that the last two provisos of the bill would accomplish. The only difference lies in the fact that in those cases where dependents are returned "for compelling personal reasons of a humanitarian or compassionate nature"

prior to completion of an agreed tour of duty, the employee must bear the expense of such return subject to reimbursement upon becoming eligible for return transportation at Government expense. It would be highly desirable, of course, to have the added authority to meet that situation without the hardships or inconvenience which might face some employees in returning their families from distant overseas posts. However, the recent decisions of the Comptroller General have satisfied the vast majority of problem cases which previously faced the military departments.

The matter of authorizing travel for leave purposes remains a very difficult one since there has been no relaxation of the decisions which prohibit such travel at Government expense. That is not to say, however, that the Government is saved the expense of providing transportation for leave purposes. Under present law, employees have a vested right to return transportation upon satisfactory completion of a fixed tour of duty. Normally, the departments would be amenable to granting a period of leave for return to the United States at that time. The decisions prohibiting leave travel do not and cannot negate the right to return travel upon separation from the service. Consequently, the employee resigns his position in order to return home, even though he may fully intend to perform another period of service in the same overseas area. This entails a sizable administrative burden, even if the employee later reenters employment, since the paper processes of separation, final salary payment, tax adjustments on lump-sum leave payment, reappointment, security clearances, etc., must be followed. In other cases, the employee's services are lost entirely and the departments must then resort to recruitment, transportation, and orientation of a new person—at greatly increased expense to the Government.

In the event that it is considered desirable to process this bill with its present provisions, the following technical comments are offered:

(a) It is recommended that the order of the three provisos added by the bill be changed by making what is now the first proviso of the bill, the last proviso of the bill. The last two provisos of the bill relate directly to the authority granted in the preceding portion of the present section 7, Administrative Expenses Act of 1946 (60 Stat. 806), as amended (5 U. S. C. 73b-3); whereas, the first proviso of the bill granting authority for leave travel is a new and separate provision.

(b) Further, it is recommended that the following language changes be made:

(1) First page, line 5: After the word "by" insert the words "deleting the word 'And' at the beginning of the last proviso of the first sentence thereof, capitalizing the word 'provided,'".

(2) Second page, line 1: Authority is provided only for leave travel to the place of actual residence and not for travel back to the overseas post of duty. If it is intended to provide two-way travel, it is suggested that the following words be inserted after the comma: "and from such places of actual residence to their posts of duty outside the continental United States,".

(3) First page, line 7: After the word "of" delete the word "return."

(4) Second page, line 24: After the word "eligibility" insert the words "for such transportation".

(5) Second page, line 5, refers to "another tour of duty at the same overseas post". After the word "same" insert the words "or some other". This change would preclude limiting the beneficial effects of the bill to cases where the employee has agreed to serve another tour of duty at the same overseas post at which he previously served. There will be cases in which the employee will have agreed to serve another tour of duty at some other overseas post, and it is believed that in such cases the employee should have the same rights of return for leave purposes as if he were returning to his previous post of duty. While such a situation might be handled administratively through transfer, the amendment suggested above would preclude the additional cost which a transfer would involve.

Enactment of H. R. 179 would result in little, if any increase in expenditures over those currently authorized. With reference to advance return of dependents and household goods, only the language contained in lines 14-19 on page 2 of the bill could result in increased costs. The number of cases falling in this category would obviously be small, however, and in most of those instances the employee would eventually complete his required period of service to become entitled as a matter of right to return transportation. Neither would return travel for leave purposes result in any increased expense since the same result may be achieved through resignation and reemployment. Rather, it is confi-

dently predicated that some economy would be achieved through reduction in turnover and elimination of costly administrative procedures.

This report has been coordinated among the interested departments and boards of the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

ROBERT T. STEVENS,  
*Secretary of the Army.*

Mr. MANGAN. Enactment of H. R. 179 in all probability would result in an overall reduction in expenditures. While the advance return of dependents and household goods for compelling personal reasons or obligations imposed by conditions over which the individual has no control could result in increased costs, the number of such cases falling in this category would be small. Further, in most of those instances the employee would eventually complete his required period of service to become entitled as a matter of right to such transportation.

On the other hand, return travel for leave purposes probably would not result in increased expenses because the same travel expense would be incurred through resignation and reemployment. The reduction in new hires to replace quits resulting from present procedures regarding returning to the United States for home visits and the cost of administering such travel would result in actual savings. Less tangible are the savings accruing to improved morale that would result from enactment of this bill.

Pursuant to a request from Mrs. Church, the chairman of the subcommittee, that we include certain specific information in our testimony, the following information is furnished:

The military departments now handle leave for civilian employees in overseas areas, return to the continental United States for leave purposes, and advance return of dependents and household goods in a uniform manner. However, the Department of the Air Force and the Department of the Army, pursuant to an agreement with the General Accounting Office, are honoring commitments for home leave travel at Government expense made prior to the 1951 decision of the Comptroller General that such travel was not authorized. The agreement permits only one such trip for leave purposes and requires that the trip must be made prior to 1955. Actually, there are but a few such commitments outstanding, although we are not sure of the exact number remaining. The Department of the Navy has discontinued all such home leave and requires the separation of employees for such purposes.

In connection with the leave policies applicable to military personnel stationed overseas and the early and separate return of their dependents, the military departments are governed by different statutory authority than that applying to civilian employees. The military departments have issued generally uniform implementing regulations under this authority. The following discussion applies specifically to the Army Establishment, but is generally true for the other departments.

At the outset, I believe that it is necessary to point out that no really valid comparison can be made between military leave policies and those pertaining to civilians, inasmuch as the military and civil service leave systems are separate and designed to meet the needs and

peculiarities of each service. This is due to the fact that civilian employees are not subject to the same duty and service requirements as are imposed on military personnel. They are more nearly comparable to employees of private industry and commercial firms employing United States citizens in overseas areas.

As to military leave policies, the Armed Forces Leave Act of 1946, as amended, provides that military personnel accrue leave at the rate of 2½ days per month and places a 60-day limitation on the amount of leave which may be accumulated. In order to improve morale, efficiency, and maintain combat readiness, the Army encourages all personnel to avail themselves frequently of accrued leave, subject only to military necessity. It is the normal practice in connection with movements to and from overseas areas to grant individual leave prior to departure and after their return to the continental United States so that they may take care of their personal affairs and use in any other way they see fit.

Military personnel are not normally returned from an overseas area prior to the expiration of their normal tour of duty except where there are severe and unusual circumstances of a compassionate nature. In such circumstances, emergency or morale leave may be authorized. In these emergency cases, travel from the overseas area to the United States port of entry is in a duty status at Government expense, as is the return from the port to the overseas area. After arrival in the United States, an individual's expenses while on leave are a personal responsibility.

Mrs. CHURCH. Does the family come with them at Government expense for leave?

Mr. MANGAN. Lieutenant Coy is here, and perhaps I had better let him answer that.

Lieutenant COY. Madam Chairman, I am 1st Lt. Malcolm L. Coy from Army G-1.

Mrs. CHURCH. Did you hear my question? I wondered whether, if military personnel were brought back on Government expense, under the circumstances under discussion they could bring back their family with them at Government expense, when they return from their leave.

Lieutenant COY. Normally they would not, Madam Chairman. In the case referred to here he is talking about an emergency leave which would be of short duration.

Mrs. CHURCH. Would the family come back generally on such an occasion?

Lieutenant COY. Not normally.

Mrs. CHURCH. When you say "not normally," how do you define that?

Lieutenant COY. It would depend on the circumstances inherent in the emergency. For example, maybe only the soldier's family at home was mixed up in some circumstances where the wife would not come. It would depend.

Mrs. CHURCH. In your judgment, Lieutenant Coy, would this bill if enacted give more privilege to the civilian employee's families than to the families of servicemen?

Lieutenant COY. I believe the purpose of this bill, Madam Chairman, is to place the civilian employees of the Army, and other civilian

employees, on the level now enjoyed by the State Department, which——

Mrs. CHURCH. But it would give more privilege than accorded the family of, let us say, a soldier stationed in Okinawa or Japan?

Lieutenant COY. It is difficult really to compare the two, Madam Chairman.

Mrs. CHURCH. It would seem to me to be a question of whether if a man was being brought back for convenience reasons if he is an ex-serviceman, his family would be brought back at Government expense from Okinawa and Japan. That is a comparable circumstance.

Lieutenant COY. In the rest of his testimony Mr. Mangan covers the earlier return of the dependents and household goods of the military personnel prior to the return of the principal. He has not gone into that yet, Madam Chairman.

Mr. HOFFMAN. Mrs. Church asked you if this bill would not give more privileges and more benefits. You did not answer that. You know it would, do you not? In three categories it does.

Lieutenant COY. I believe in general it would. It would place them, I believe, on the same basis as the State Department, which——

Mr. HOFFMAN. And give them more privileges and benefits than they have now. That is what you are trying to do, to equalize the benefits of the other employees with those of the State Department, is it not?

Lieutenant COY. I believe that is the intent, sir.

Mr. HOFFMAN. And you do that by increasing the benefits and privileges of those who are employees of the Federal Government, but not employed by the State Department?

Lieutenant COY. I believe that is right.

Mr. HOFFMAN. Surely.

Mr. BROOKS. May I ask him one question?

Mrs. CHURCH. Yes, Mr. Brooks.

Mr. BROOKS. Under what circumstances would a private or corporal in the Army be entitled to ship his household goods and wife and two children back from Germany, for example, at Government expense?

Lieutenant COY. At the present time dependents and household goods of enlisted personnel below the grade of corporal, with less than 7 years' service, are not authorized such movement overseas in the first place.

Mr. BROOKS. The Government does not pay to ship their household effects?

Lieutenant COY. That is right.

Mr. BROOKS. Or pay the fare of their dependents?

Lieutenant COY. That is right.

Mr. BROOKS. To their overseas posts?

Lieutenant COY. That is right.

Mr. BROOKS. Either way. Either there or back?

Lieutenant COY. Right, sir.

Mrs. CHURCH. Would you like to go ahead with your statement?

Thank you, Lieutenant COY.

Mr. MANGAN. Yes.

Mrs. CHURCH. You may proceed with your statement, Mr. Mangan.

Mr. MANGAN. With respect to the return of dependents and household goods of military personnel prior to the expiration of the spon-

sor's tour of duty, the joint travel regulations applicable to all uniformed services permits the overseas commander concerned to return such dependents and household goods when determined to be in the best interests of the Government and under unusual or emergency conditions. Under these conditions, the dependents would be returned to a designated location in the United States at Government expense, except for payment of nominal subsistence and other minor incidental costs chargeable to the individual in accordance with current billing schedules of the military transport services.

In general, the principle is that the Government will provide transportation for only one round trip to and from an overseas area for dependents and household goods of military personnel during any given tour of duty overseas.

In summary, let me reemphasize that the Department of Defense considers the authority contained in this legislation essential to its effective operation overseas. It will eliminate a major difference in travel benefits accorded to employees of the Department of State, Foreign Operations Administration, and others governed by the Foreign Service Regulations, and those accorded employees not subject to such regulations.

Because of the changed nature of military missions and responsibilities, civilian employees of the military departments in overseas areas are no longer considered as short-term or temporary workers, but will be needed on a long-term and continuing basis for the foreseeable future. Because each overseas employee must be carefully selected and because those who demonstrate an ability to work effectively in overseas areas, and in foreign nations in particular, should be retained, it is urged that favorable action be taken with regard to this legislation. It will do much to help make Federal employment generally in overseas areas more nearly comparable to stateside service.

I would like to make one statement which will perhaps clarify what Mr. Hoffman was inquiring about. We have a major difference in the conditions of employment and the circumstances of service of military personnel as compared with civilian. That is, with the military we have a continuing career, which may or which will require rotation from one post to another. In that process they are required to serve overseas for a period of service.

As I pointed out before, those people get leave at the time they are ordered overseas. Upon completion of their tour they rotate back to the United States or to another overseas station like the State Department. They get another period of leave upon their return.

A civilian is normally identified with 1 position and 1 post of duty. We have not developed our civilian career service overseas to the same degree that the military and the State Department have. So the individual is identified with one position overseas, and if he remains in employment he will remain there for a period of years. It is necessary to make some provision for his return to the United States for leave purposes, because he will not get it between changes of tours of duty.

Mrs. CHURCH. Perhaps without basis for it, I have a feeling that this bill, if passed, would seem to discriminate against the man in the armed services.

Mr. MANGAN. I do not believe that that is true, Madam Chairman, although, again, my basis for it is not very firm. I feel that somewhat

similar opportunities—very comparable opportunities—are provided the military personnel through these methods that I have described. He would get leave in the United States with about the same frequency that the civilian would.

Our practice on advance return of dependents would not be substantially different from the military. We return them in substantially the same circumstances, which is largely a family emergency situation. I feel that there would not be any sharp discrimination.

Mrs. CHURCH. Would there not be many who would be given the benefits of this bill who really in civilian service rank no higher than a corporal?

Mr. MANGAN. We have never worked out a very effective table of rank, particularly at the lower grades. We do not hire a great many people at the very lower end of the civilian scale for overseas service. We are relying as much as possible on local labor for those more routine and menial occupations.

Lieutenant Col. Madam Chairman, I might say in that regard that, to a certain extent, the movement of dependents is contingent on the availability of housing in the overseas area. That would be the primary governing factor, as to how much housing there is in the overseas area, rather than the rank of the individual.

Mrs. CHURCH. Are there any other questions?

Mr. McCORMACK. What are the privileges that the State Department now enjoys under the law?

Mr. MANGAN. Under the Foreign Service Act of 1946, Mr. McCormack, the Secretary of State is required to order Foreign Service personnel home from their overseas station periodically. I believe it is 2 years, although in actual practice I believe it is slightly less frequently than that. They are returned at Government expense.

Mr. McCORMACK. In other words, the decision of the Comptroller General had no effect on the State Department?

Mr. MANGAN. No, sir.

Mr. McCORMACK. Because that was covered by another law?

Mr. MANGAN. The State Department's authority is very broad and very general. As a matter of fact, it indicates a legislative policy that this leave practice will be followed.

Mrs. CHURCH. Mr. McCormack, I think it is a two-way sword in bringing them back from the Foreign Service. The idea is to re-orientate the Foreign Service man, the career man, in his own country, and as to what is going on here. It is not simply to give him leave to come home.

Mr. McCORMACK. I was not arguing the proposition. I was inquiring. I might discuss that with you, because we are all human beings and I could imagine myself in the service. I certainly feel after all I should be permitted to come home once in a while, at least. I am sure you and I probably would agree and that there would not be much difference of opinion between us. But we are not discussing it now because it is not so important. The State Department does have that, and I can see the importance of the state of mind of that employee. I know the importance of my own state of mind.

I was sitting happily yesterday on the floor until a statement was made about my thoughts that did not represent my state of views. Immediately I became very much disturbed and I made a speech I would not have otherwise made, because I was compelled to do

it; because my state of mind was misrepresented. So that is just an illustration.

You say you are relying as much as possible in the lower positions—what you call economic positions over there—in the lower salaries, I assume, on local labor. That means citizens of other countries.

Mr. MANGAN. Yes, sir.

Mr. McCORMACK. Of course, that is going to increase tremendously over what it has been heretofore. That is contemplated; is it not?

Mr. MANGAN. Yes, sir. Although I might say that the Department of the Army has been pushing very hard for the maximum use of indigenous personnel for almost 10 years now.

Mr. McCORMACK. The Department of the Army has what?

Mr. MANGAN. We have been encouraging as much as we can the use of local labor in all overseas areas for a considerable period of time. I do not have the information here because it was not pertinent to this bill, but I think you will find in the hearings on the Department of the Army's appropriation for 1935 a full statement of the extent to which the use of indigenous personnel has been increased over the past 8 years.

Mr. McCORMACK. Of course, that will raise other interesting implications other than reemployment and economy. There are other important factors involved.

Mr. MANGAN. Yes, sir. There are many serious problems involved in it. I believe, although I am not directly responsible for that, that we have amassed a lot of experience to date and will solve some of the problems.

Mr. McCORMACK. I noticed in the appropriation bill yesterday there was an appropriation to widely expand the employment of local labor and citizens of other countries abroad. Is that right?

Mr. MANGAN. Yes, sir.

Mr. McCORMACK. Of course, Congress heretofore rather vigorously opposed it. Is that right?

Mr. MANGAN. That is correct.

Mr. McCORMACK. So we have this new departure now which greatly expands it. In other words, I read in the paper not long ago something like thirty-odd thousand were contemplated.

Mr. MANGAN. Any time I get above a figure of 100 I begin to get lost, and I would not want to rely on my memory for it.

Mr. McCORMACK. It is going to be very widely expanded by many thousands.

Mr. MANGAN. Yes, sir.

Mr. McCORMACK. And the question of security and everything else enters into that?

Mr. MANGAN. Yes, sir. That is correct.

Mr. McCORMACK. Are they going to be investigated from a security angle?

Mr. MANGAN. In general, we would not use local labor in any position which was of a security nature.

Mr. McCORMACK. If I ask you any questions that are disturbing or embarrassing, I do not want you to answer them. If I ask a question of you that somebody in a higher position than you should answer, I do not want you to answer it.

I think that is all.

Mrs. CHURCH. Mr. Hoffman.

Mr. HOFFMAN. This bill, in three categories, enlarges the benefits over and above those carried in the 1946 act, does it not?

Mr. MANGAN. In its actual provisions; yes, sir. May I say, however, that the 1946 act, as it was first applied and then later amended in 1950, does provide for an automatic right of return transportation upon completion of an employment agreement. Therefore, the employee can get it by the simple act of resigning when he has served his 2 years or 18 months, or whatever it happens to be in the particular area he is serving.

Mr. HOFFMAN. And if he is reemployed—

Mr. MANGAN. Yes, sir.

Mr. HOFFMAN. I did not mean to interrupt, but you said he could. I wanted that "if" in there.

Mr. MANGAN. The point is, this will eliminate what we consider to be an unnecessary step as far as a return for leave purposes is concerned. He can accomplish that now and this will permit it to be done with less administrative overhead and less chance of losing the employee. Actually, while the bill appears to expand and authorize the expenditure of additional funds, we think that there are no real additions to expenses that are not already incurred and that actually the savings in turnover will result in net savings.

Mrs. CHURCH. May I ask at this point, Mr. Mangan, whether you mean that this provision to bring back household furniture on leave is an additional expense?

Mr. MANGAN. This bill would eliminate the requirement that we return household goods on leave. You will note, Madam Chairman, that the first proviso states that expenses of return travel and transportation, including authorized dependents, but excluding household effects, is authorized.

Mrs. CHURCH. What I am referring to is the second proviso on page 2.

Mr. HOFFMAN. That is an additional provision for payment of expenses for return of household goods, is it not?

Mr. MANGAN. That is an additional provision for the return of dependents and probably the household goods.

Mrs. CHURCH. That is the point I made.

Mr. HOFFMAN. That is exactly what you said.

Mr. MANGAN. That can be done now also if the individual completed his period of overseas service. It can be done also in effect in advance of his completing the agreed period of service by permitting him to be reimbursed at a later date for having paid it out of his personal fund.

Mrs. CHURCH. At the present time that is permissible?

Mr. MANGAN. Yes, ma'am.

Mrs. CHURCH. Including the second provision of return of dependents for compelling personal reasons?

Mr. MANGAN. It is to this extent—all this bill would do is permit the transportation at Government expense. Under present conditions if a man has served 1 year in Germany and there is serious illness in his family and he wants to return the family to the United States, he may return them at his personal expense. Then, if he remains and serves out his tour of duty, then he can be reimbursed for his out-of-pocket expenses for having returned his family at the immediate time

they had to return. In other words, when he has earned his vested right to have them return, he is paid for it.

Mrs. CHURCH. That is right, but under this provision would he not be able to send them back and return before the end of his period of service? Could it not happen more than once under this bill?

Mr. McCORMACK. If there is anyone here who can answer that question I wish he would speak up. We want the facts. That is all.

Mr. MANGAN. I think it is a matter of interpreting the language, Mr. McCormack. It provides that the expenses may be paid to return them. It makes no provision for taking them back into the overseas command.

In the light of the restricted manner in which these statutes have been interpreted in the past by the Comptroller General, I feel confident——

Mrs. CHURCH. Perhaps we should reserve that question for the General Accounting Office.

Mr. MANGAN. I think it would be appropriate for them to answer.

Mrs. CHURCH. Thank you.

Mr. HOFFMAN. In truth and in fact, the purpose of the bill is to give these individuals in these three categories additional benefits, every one of them, is it not?

Mr. MANGAN. It is to clarify the benefits they presently have. In fact, I do not believe it increases their benefits substantially. Rather, our primary interest in it is that it will eliminate administrative overhead, in our opinion.

Mr. HOFFMAN. Then it would be fair to say in your opinion this does not give increased benefits in these three categories?

Mr. MANGAN. It does not increase benefits to individuals above what they could get now.

Mr. HOFFMAN. Why then do you say it is to equalize the benefits given this group of employees and make them comparable to the State Department employees; and also say as you did a moment ago, or someone did, that they would, by raising the compensation or benefits, equal those paid to the State Department employees. To me, the statements do not seem to agree.

Mr. MANGAN. This would make them comparable to the State Department employees.

Mr. HOFFMAN. By giving them more money.

Mr. MANGAN. I do not believe it would give them any more money in fact.

Mr. HOFFMAN. You mean it would not give them any more money than they might in some way get now?

Mr. MANGAN. Yes, sir.

Mr. HOFFMAN. But as a matter of practice it would give them more money, would it not?

Mr. MANGAN. It could if the individual——

Mr. HOFFMAN. It would, would it not? Surely.

Mr. McCORMACK. Let him answer the question.

Mr. HOFFMAN. The answer is obvious.

Mr. McCORMACK. No; it is not as obvious to me as it is to you.

Mr. MANGAN. It would give the individual more money or more benefits only if he were not using his present option of resigning and seeking reemployment.

Mr. HOFFMAN. But he gets it now if he does not seek reemployment, doesn't he? Some of it?

Mr. MANGAN. Yes, sir. He gets return transportation to the United States.

Mr. HOFFMAN. And if he enters into a new contract then he gets himself and dependents and household goods shipped back?

Mr. MANGAN. Yes.

Mr. McCORMACK. But then he loses all of these rights which are——

Mr. MANGAN. Tenure of permanent status.

Mr. McCORMACK. Which are very valuable and important.

Mr. MANGAN. Yes, sir. Of course, that does not apply to the major areas of our employment. It affects Puerto Rico and Hawaii, where they are under the civil-service system. It is not a matter of major concern in foreign countries because we appoint noncompetitively through our own examining procedure there.

Mr. HOFFMAN. I have a line of thought I wanted to develop. I do not want to interrupt.

Mr. McCORMACK. If I am going to serve you——

Mr. HOFFMAN. No. You are not going to serve me at all. I was going to be polite and inquire as to whether you finished on that particular thing.

Mr. McCORMACK. I am sorry if I interrupted you. I will not any more.

Mr. HOFFMAN. You do not need to be.

But one result of this bill would be to retain the benefits which the gentleman from Massachusetts, Mr. McCormack, just said the employees would otherwise lose?

Mr. MANGAN. The benefit that Mr. McCormack was referring to, I think, is that of his retaining his permanent civil-service status.

Mr. HOFFMAN. That is right. And under this bill it would reserve those rights whereas without it he would lose them.

Mr. MANGAN. Yes, sir.

Mr. HOFFMAN. So there is one case anyway where the bill if it is passed would result in an additional benefit.

Mr. McCORMACK. Are you through?

Mr. HOFFMAN. Yes.

Mr. McCORMACK. It has a great importance in connection with employees continuing to serve overseas?

Mr. MANGAN. Yes, sir.

Mr. McCORMACK. Keeping trained and skilled employees in the service for a second 2-year term of contract or, as we would say in the Army, a second hitch, which is very important, eliminating a lot of expense and papers.

In other words, this provides by law what in fact now exists, but in addition to that, it assures the employees a permanency of their civil-service position where they have it, and it also inures to the employees involved benefits by way of having them, putting them in a position where employees, to a larger extent, would be induced to remain on.

Now is that a minor matter or an important matter?

Mr. MANGAN. No, sir; that is a very important matter for our concern.

MR. BROOKS. I wonder if you would be the proper man to give us an estimate of the increased cost of additional movements which will apparently result from this law, those which the Comptroller General has refused to pay in the past and at present? I mean that is the purpose of this, isn't it?

MR. MANGAN. Mr. Brooks——

MR. BROOKS. Yes.

MR. MANGAN. We think there would not be any substantial increase in the actual cost of paying this transportation. We feel that there would be an actual net saving by the enactment of this legislation.

We have been requested by the Bureau of the Budget, in connection with other general consideration of this subject, to estimate what the savings would be. We have had to go back and recompute it because our employment situation changed from the time we originally made it, and we also think some of the bases for the estimate were not entirely sound. So we are in the process of recomputing that now.

MRS. CHURCH. How soon might we have it?

MR. MANGAN. We have a tentative estimate in which we believe there will be a saving in excess of \$2 million a year by the enactment of this legislation. That is wholly tentative and has not been approved by the Office of the Secretary of Defense. I believe that by the early part of next week we shall be able to give the committee an official estimate of the savings which would accrue to the Department of Defense by this legislation.

MR. BROOKS. That is your tentative estimate of the net saving?

MR. MANGAN. Yes, sir.

MR. BROOKS. Over the cost of these additional payments for shipping the household goods and transportation for the dependents?

MR. MANGAN. Yes, sir.

MR. BROOKS. There would be a saving in your efficiency, and administration?

MR. MANGAN. Yes, sir, in view of the fact that we feel our turnover would be substantially reduced, which would cut down on the cost of recruiting and training.

MR. BROOKS. But you will have for the chairman the number of files involved, the number of shipments and the estimated additional cost—I won't say additional—the actual cost of these movements we are not now making?

MR. MANGAN. Yes, sir, we will submit that, and I am sorry that this recomputation became necessary for us at the last minute. I do not have it with me because the fiscal and budget people must approve it.

(See table entitled "Computation of estimated costs and savings to result from enactment of H. R. 179, 83d Cong.," in appendix, pp. 85 and 86.)

MRS. CHURCH. You will send it?

MR. MANGAN. Yes, ma'am.

MR. McCORMACK. Have you any knowledge of the private employers in connection with their employees in relation to this particular policy?

MR. MANGAN. I have not seen any general study but I know generally of the practice of some of the major companies who do return their employees at company expense.

MR. McCORMACK. Well, they would have difficulty in getting people to go abroad if they didn't, wouldn't they?

Mr. MANGAN. Yes, sir.

Mrs. CHURCH. Are there any further questions?

Thank you.

Mr. MANGAN. Thank you, Madam Chairman.

Mr. HOFFMAN. I have some further questions, if I may.

Mrs. CHURCH. I am sorry.

Mr. HOFFMAN. Will you give us in that statement, Mr. Mangan, concrete illustrations of just how these savings are to be accomplished?

Mr. MANGAN. Yes, sir.

Mr. HOFFMAN. Now, assuming that the employee entered into a contract for 2 years' service in Germany and his wife and children went with him, the household goods were shipped, et cetera. Under this last proviso—the second, too—assume that his wife's mother was seriously ill. The wife, under this, could have her transportation paid back to the United States; couldn't she?

Mr. MANGAN. Yes, sir. I believe so.

Mr. HOFFMAN. And that illustration could be multiplied many times as to reasons for return, couldn't it?

Mr. MANGAN. Yes, sir.

Mr. HOFFMAN. And who would make the decision as to whether the illness of the wife's mother was serious enough to justify her return?

Mr. MANGAN. Let me put it this way—normally the status of the cases of this kind are verified through the good offices of the American Red Cross and they can find out and advise the commanding officer of the overseas command what the actual facts of the situation are.

Mr. HOFFMAN. Then assuming further that the wife's mother either died or recovered her health. Who pays for the wife's return?

Mr. MANGAN. Well, that is a question which the committee chairman raised a moment ago. I think it is a matter of interpretation of this language here. I am sure the General Accounting Office would protect the public Treasury, but I feel that perhaps that is a proper question for the witnesses from GAO to state what their interpretation of this language might be.

Mr. HOFFMAN. And if the wife returned for the reason which I suggested, could she bring back the household goods at Government expense?

Mr. MANGAN. Yes, sir. It would be discretionary with the overseas command as to whether the whole family would be returned.

Mr. HOFFMAN. Then after the wife's mother's death or recovery, who would pay the expenses of the household goods back to Germany if they wanted to take them back?

Mr. MANGAN. My personal feeling is that that would be a matter of personal expense.

Mr. HOFFMAN. The Government wouldn't pay that?

Mr. MANGAN. They have had one return, and, in my opinion, it is a matter of personal expense.

Mrs. CHURCH. I do not think that the bill specifies that.

Mr. MANGAN. It does not, Madam Chairman, but the whole legislative history of this subject and the fact that necessity has brought us back to this committee requesting amendments to cover things we found we left out in previous versions of it is, I think, evidence of the restrictive interpretation of the whole statute.

Mr. HOFFMAN. Assuming that, after the recovery of the wife's mother and after her return to Germany at Government expense, the

wife's father got ill. Could she again come back to the United States at Government expenses under the last two provisos? She certainly could; couldn't she?

Mr. MANGAN. The two returns are not provided. However, may I point out that in my statement I referred to the policy of the military in which only one return is made during any overseas tour of duty, the one return of the individual or his dependents. Insofar as the circumstances are approximately the same, the military departments have as a matter of practical reality followed very closely the patterns of treating military and civilian personnel, and as far as the Department of the Army is concerned, I am sure any administrator would place a one-trip limitation because that is what applies to the military and he couldn't afford to extend any such marked distinction between the military and civilians.

Mr. HOFFMAN. But under the law it is possible?

Mr. MANGAN. Under the law it is possible.

Mr. HOFFMAN. And while my questions may seem absurd and silly, I think it is my duty to explore the possibilities, as well as anything else testified to.

I have finished.

Mrs. CHURCH. Mr. McCormack.

Mr. McCORMACK. Under this proviso, if a wife's mother took seriously ill, you say the Red Cross, of course, is making investigation and they could offer medical evidence that she is in the hospital and seriously ill, like we do in the case of enlisted men. They do that in the Red Cross in the case of enlisted men. The local Red Cross chapter makes investigation upon request of the Army or the Navy or other branches of the armed services, or upon my request where there is haste.

Mr. MANGAN. Yes, sir.

Mr. McCORMACK. And then usually you get medical evidence. If there are hospital records they are sent along, and you get affidavits; am I right?

Mr. MANGAN. Yes, sir.

Mr. McCORMACK. All right. Now, take the case of a mother who is seriously ill and the wife comes home, say, 6 months after her husband is overseas. Well, she wouldn't be eligible for the payment unless her husband completed the 2-year term of contract; would she?

Mr. MANGAN. You mean for returning back to the overseas command?

Mr. McCORMACK. Exactly.

Mr. MANGAN. Yes—no, she——

Mr. McCORMACK. In other words, it says here—

shall reimburse him for proper transportation expenses at such time as he acquires eligibility.

Well, eligibility is the completion of his contract?

Mrs. CHURCH. Pardon me. Doesn't that include for reasons other than public interest?

Mr. MANGAN. Yes. Under the first clause, in cases of personal emergency which the command considers justifiable they may return the family at Government expense.

Mr. McCORMACK. That is the first proviso. I am talking about the third one.

Mr. MANGAN. The third one is where the individual just by his own personal preference or the family's personal preference returns, so there is no public-interest factor involved; then he may be reimbursed later on when he completes his tour of duty.

Mr. McCORMACK. Because by that time he would get it anyway?

Mr. MANGAN. Yes, sir; if he stayed.

Mr. McCORMACK. Have you any record as to the number of cases, approximately, where a husband and wife come home because of compassionate conditions?

Mr. MANGAN. No, sir; you would have to collect that from each one of the individual overseas commands. It would be extremely difficult to estimate.

Mr. McCORMACK. That is all.

Mrs. CHURCH. Mr. Brooks, have you further questions?

Mr. BROOKS. No, ma'am; thank you.

Mrs. CHURCH. Thank you very much.

Mr. MANGAN. I would like to say to Mr. Hoffman, about his saying his questions seemed silly or absurd, they are not; if they were, they wouldn't be so hard to answer.

(Discussion off the record.)

Mrs. CHURCH. We have two witnesses from the General Accounting Office.

**STATEMENT OF JOHN H. MARTINY, LEGISLATIVE ATTORNEY,  
OFFICE OF THE COMPTROLLER GENERAL, GENERAL ACCOUNTING  
OFFICE; ACCOMPANIED BY HENRY BARCLAY, ATTORNEY, OF-  
FICE OF THE GENERAL COUNSEL, GENERAL ACCOUNTING  
OFFICE**

Mrs. CHURCH. Will you identify yourselves, and do you both wish to testify?

Mr. MARTINY. If it please the chairman, I will make a statement and then Mr. Barclay will comment on the interpretation of the decisions, if you care to have him.

Madam Chairman, I am John H. Martiny, legislative attorney, Office of the Comptroller General, and I have with me Mr. Henry Barclay, attorney, Office of the General Counsel, General Accounting Office.

I have been designated by the Comptroller General to present a statement on H. R. 179, 83d Congress.

The Comptroller General has furnished the chairman of the Committee on Government Operations a report of his views on this bill and on the similar bill, H. R. 8095 of the 82d Congress. The views presented in those reports are substantially the same as we will present today.

Mrs. CHURCH. You would like to have them included in the record at this point?

Mr. MARTINY. I do not believe it is necessary, Madam Chairman. We will cover any of the points that were raised in those reports in our present statement.

Except as hereinafter discussed, the General Accounting Office has no objection to enactment of this legislation

(Discussion off the record.)

Mrs. CHURCH. You may proceed.

Mr. MARTINY. The first proviso of H. R. 179 would amend section 7 of the Administrative Expenses Act of 1946, Public Law 600, as amended by the act of September 23, 1950, Public Law 830, to provide authority for repayment by the Government of expenses of return travel and transportation of Federal employees and their immediate families when traveling between the employee's post of duty outside the continental United States and his place of residence for the sole purpose of taking leave. Such payment would be authorized only when an employee has satisfactorily completed an agreed period of service overseas and is taking leave prior to serving another tour of duty overseas.

As early as October 6, 1949, the Comptroller General held in two decisions, B-84159 to the Secretary of Agriculture, and B-86698 to the Administrator of Veterans' Affairs, that there was nothing in the provisions of section 7, Public Law 600, or in its legislative history, which reasonably may be construed as authorizing the return of career employees to the United States at Government expense solely for the purpose of taking leave. The Comptroller General stated in those decisions that with respect to future overseas assignments or transfers, the return travel and transportation expenses of employees from foreign duty posts for purposes of taking leave may not be authorized in the absence of specific legislation.

In decision of August 16, 1951, B-104200, it was pointed out that section 7, as amended by Public Law 830, September 23, 1950, authorizes the return travel and transportation expenses only upon separation, thereby specifically precluding the payment of such expenses for the return of any employees for the sole purpose of taking leave.

The first proviso of H. R. 179 would supply the specific statutory authority which the Comptroller General has held is necessary for travel at Government expense for home leave. I would like to mention some of the technicalities on page 1 of the bill which the committee may wish to consider.

The word "return," line 7, leaves a doubt whether round-trip travel is intended at Government expense.

The word "travel," line 7, as used in connection with dependents may be interpreted as permitting a per diem in lieu of subsistence for the dependents.

The term "dependents," line 8, is used in lieu of the term "immediate family" which is used in other provisions of Public Law 600.

Also, it is not clear that the benefits of the first proviso are extended to transferees who are covered generally by section 1 (a), Public Law 600.

The use of the all-inclusive word "employees" and the words "or transfer" would clarify this point.

I suggest omitting all of lines 7, 8, 9, and 10 and inserting in lieu thereof—

May I interrupt to say that you, of course, have to read this quotation with the rest of the provision in order to make any sense—

expenses of round-trip travel of employees and transportation of immediate families, but not household effects, from their posts of duty outside the continental United States to the places of actual residence at time of appointment or transfer to.

The benefits of this proviso may become available to persons who have satisfactorily completed an agreed period of service overseas. The agreed period could be 1, 2, or 3 years under the present law. We suggest that the committee may wish to consider whether a minimum period of 1 year may be too liberal.

The word "same" in line 5, page 2, should be followed by the words "or any other" so as not to be unduly restrictive.

Mrs. CHURCH. Any other or some other?

Mr. MARTINY. Either one. The point is that the statute as now written would require the man to return to the same post of duty. The administration should have some discretion and possibly require him to return to some other post of duty, and any words that would permit that, I believe, would be satisfactory.

The first part of the second proviso of H. R. 179 would amend section 7 to authorize transportation of an employee's family and household goods from his overseas post when he has acquired eligibility for such transportation even though the employee does not return himself.

While the Comptroller General has held in B-108678, June 25, 1952, that such expenses may be authorized under the existing general language of section 7, Public Law 600, as amended, the language of this part of the proviso would provide a specific statutory basis for the payment of such expenses.

The second part of the proviso would provide new authority for the payment of such expenses in instances involving humanitarian considerations before an employee has completed the period of service required to become eligible for return transportation.

As in the first proviso of H. R. 179, the words "or transfer" should be inserted after the words "at time of appointment" in line 11, page 2, and the words "immediate family" should be used for the word "dependents" in line 14, page 2.

The third proviso would authorize the Government to reimburse an employee when he becomes eligible for such transportation for expenses he has incurred in returning his family and household goods to his place of residence before he is eligible for such transportation and when no humanitarian considerations are involved.

While the Comptroller General has held in B-108678, September 26, 1952, that such expenditure is authorized under the general provisions of Public Law 600, as amended, when necessary for compelling personal reasons, the proviso contains no restrictions as to the reasons for the prior return. We have no information as to the necessity for such broad authority.

We would like to invite your attention to an act which probably should be repealed. The act of June 5, 1936 (49 Stat. 1483), authorizes certain travel and transportation benefits for employees appointed for service in the Virgin Islands. Such benefits will be covered either by this bill or are now covered by other acts.

Madam Chairman, that completes my statement. We will attempt to answer your questions on these decisions. We realize it is quite involved. It is a technical field, but we will do the best we can.

Mrs. CHURCH. Thank you, Mr. Martiny. Mr. Hoffman, do you have any questions at this time?

Mr. HOFFMAN. No.

Mrs. CHURCH. Mr. McCormack.

Mr. McCORMACK. I take it from your statement that the General Accounting Office has no objection to a bill along this line?

Mr. MARTINY. We do not.

Mr. McCORMACK. And would you go further and say that you would favor it?

Mr. MARTINY. I believe we would, sir; yes, sir.

Mr. McCORMACK. The interpretations of Public Law 600, the questions involved were presented to the General Accounting Office on the interpretation of law?

Mr. MARTINY. That is right.

Mr. McCORMACK. And that eliminated the personal views of the General Accounting Office——

Mr. MARTINY. That is true, sir.

Mr. McCORMACK. On the merits of whether or not the facts were meritorious for consideration? The only question was whether or not there was any law authorizing them?

Mr. MARTINY. That is true, and I might add that we in the General Accounting Office have employees of our own overseas who are now becoming eligible for return to the United States and if they had this leave benefit I feel sure some of them would stay longer.

Mr. McCORMACK. Based upon your years of experience, would you say that legislation along this line would be for the best interest of the Government? When I use the word "Government," I mean any agency of the Government.

Mr. MARTINY. I believe so, yes.

Mr. McCORMACK. Will you briefly state why, for the record? I can visualize it, but the record doesn't carry it.

Mr. MARTINY. Under the present law, we have two means of getting an employee overseas at Government expense. Under section 1 of 600, he can be transferred overseas. He can be brought back at Government expense when he is transferred back for the convenience of the Government or at the end of the agreed period of service. That may be 1, 2, or 3 years.

The second means of transporting an employee overseas at Government expense is to hire a new man. He can be transferred back at Government expense at the end of his agreed period, 1, 2, or 3 years. But if the Department does not wish to transfer him back, then the only way they can bring him back at Government expense is to separate him from the service. Possibly they want to keep the man overseas, but in order to provide a means that he could come back to the United States and take the benefit of leave, they have to go through the process of separating the employee, and, of course, that is always to the disadvantage of the Government if they want the employee retained.

Mr. McCORMACK. Is an important element in getting people to go overseas for a contracted period the fact that they might be able to come back and visit?

Mr. MARTINY. I believe it would be.

Mr. McCORMACK. Now, you said in regard to the 1-year period there might be unusual circumstances. Isn't it best to leave it up to the agency itself as to the period of the contract, leave it to the agency to have some discretion so there will be flexibility? There might be an unusual case where a person might go over for a year or he might go for 2 years.

Mr. MARTINY. We believe the ultimate discretion should be in the agency. We do think that 1 year may be a little too lenient.

Now, the reason we say 1 year may be too lenient is this: In the State Department the minimum period is 2 years. In the other act that I mentioned about the Virgin Islands the minimum period of returning the employee was 2 years. It doesn't seem logical to us that—I would like to withdraw that. I don't like to use the word logical."

It doesn't seem that 1 year should be the minimum. Under the present law, they can enter into an agreement to bring a man back at the end of 1 year.

Mr. McCORMACK. I would be inclined to agree with you as a general proposition and not challenge that statement, but might they not just put rigidity in there? Might they not have it interfere with some special assignment overseas, for his ability, peculiar abilities, he possesses?

Mr. MARTINY. It generally is not——

Mr. McCORMACK. Pardon me. Where it may not be a 2-year assignment.

Mr. MARTINY. That is right. It generally is not a rigidity basis. It generally is a minimum of 2 years, or as soon thereafter as possible, or 3 years, but rigidity there is a minimum. Here again we call this to the attention of the committee and if the committee agrees 1 year is proper, we have no objection.

Mr. McCORMACK. The committee doesn't agree. I am talking about flexibility, where an agency might have to meet some particular situation where a year's assignment would be all they would want a man for and yet they need that man.

Mr. MARTINY. In that case, Congressman, I think you would bring him back on another provision. If he was over there, you might bring him back on another assignment, transfer him back, even to some Midwestern State, and his transportation back is covered by other provisions. It is only in connection with home leave that the minimum would apply.

Mr. McCORMACK. I am trying to ascertain the benefit of your views and experience. But most of them are for 2 years, aren't they?

Mr. MARTINY. That I cannot answer.

Mr. McCORMACK. Now, in relation to the third paragraph, you said that we have no information as to the necessity for such broad authority.

Now, just exploring it, suppose a man goes abroad for a 2-year contract and at the end of the year there might be family reasons—and every family is a little government in itself and a unit in itself. We all have our peculiarities. Every family is a little government in itself. Am I right?

Mr. MARTINY. That is right.

Mr. McCORMACK. And it might be that the problems confronting a husband and wife might be such that, for no reason in connection with the public benefit, public interest, or compassionate conditions or otherwise, the husband and wife might decide in the interest of the family of the wife to come back. That could easily be visualized, couldn't it?

Mr. MARTINY. That is true.

Mr. McCORMACK. And this third proviso would not benefit the husband and wife so far as the expenses back are concerned unless the husband completed his tour of duty; is that correct?

Mr. MARTINY. That is correct, either his tour of duty or his tour for home leave.

Mr. McCORMACK. So if they remained until his tour of duty was ended, their expenses would be paid back?

Mr. MARTINY. That is right.

Mr. McCORMACK. So there is no additional expense to the Government there?

Mr. MARTINY. That is right.

Mr. McCORMACK. Off the record.

(Discussion off the record.)

Mr. McCORMACK. When you say "We have no information as to the necessity for such broad authority," you are not opposing it?

Mr. MARTINY. No; we are not.

Mr. McCORMACK. I think that is all.

Mrs. CHURCH. I would like to have some clarification of the second proviso and what you think might be the additional use of leave or of the provision for shipping home a family:

*Provided, That expenses of transportation and of the immediate family and shipment of household effects of any employee from the post of duty of such employee outside continental United States to place of actual residence at time of appointment shall be allowed prior to the return of such employee to the United States when the employee has acquired eligibility for such transportation or when the public interest requires the return of the dependents \* \* \**

Have you any clarification for that provision at all?

Mr. MARTINY. I do not believe we have, Madam Chairman.

As to the first part of that proviso, the Comptroller has held that they can come back now under the provisions of section 1 of Public Law 600, as combined with section 7. However, in those cases the employee has a vested right to return his family and household effects, so if he has that vested right now, then there cannot be any abuse of the proviso. He has completed his 2-year period or 3-year period or whatever the agreed period is, and he has a vested right to that return transportation, so there can't be any abuses of that part of the proviso, as I see.

Mrs. CHURCH. About the second section, the return for humanitarian or other reasons, including the provision to ship household effects. I think that it was Mr. Hoffman who raised the question of whether that could happen once, twice, or three times.

Mr. MARTINY. I do not believe it could. This provision authorizes the return. That, of course, implies that it is a return from a foreign post of duty to the United States.

Mrs. CHURCH. You think it does not prohibit a round trip, however, do you?

Mr. MARTINY. I think it would prohibit a round trip under this proviso. It would not prohibit a round trip under some other proviso.

I have in mind this situation, that if the employee overseas became entitled to home leave and he came back to the United States under the proviso permitting his return home on leave, then I don't have any doubt that possibly the employee could take his wife back overseas from the home leave, and thus complete her round trip, but that does not include household effects.

Mrs. CHURCH. Then if under the provisions of this bill a wife was allowed to return home with the family and with the household effects and wanted to come back, it is your interpretation that the employee would have to pay the way back of his wife, children, and household effects, and so forth, in order to get her back to wherever he still is stationed?

Mr. MARTINY. Let me put it this way: Under this proviso I do not believe there is any authority for the trip back to the foreign post of duty, that is, under this proviso. Now, if he becomes entitled to it under some other proviso——

Mrs. CHURCH. Under what proviso?

Mr. MARTINY. Under the first proviso, by reason of being entitled to home leave, then he could take the family back but not the household effects because the household effects are not covered by home leave provisions.

Mrs. CHURCH. Suppose if after 1 month after he returns with his family on home leave his wife develops compelling circumstances which cause her to go back with the children and household effects.

Mr. MARTINY. This is the second trip?

Mrs. CHURCH. Yes; the second trip.

Mr. MARTINY. I believe he could——

Mrs. CHURCH. Does he wait until his next leave comes around again, perhaps a period of 1 year and 11 months, before the Government pays the way back of his family and household effects?

Mr. MARTINY. Back to the United States?

Mrs. CHURCH. No; he has already gotten his family and household effects back to the United States on emergency or humanitarian leave.

Mr. MARTINY. Yes. He would have to wait until he is entitled under some other proviso or provision of the law. As it stands now, talking only under the second proviso about humanitarian interest, it is my view that there is no authority to pay any expenses incident to a return from the United States back to the foreign post of duty. This proviso applies only in bringing a family and household effects from the foreign post of duty to the United States.

Mr. McCORMACK. Are you through?

Mrs. CHURCH. Yes.

Mr. McCORMACK. In that case, suppose a wife came over under the first proviso and returned to the United States before the contract period is up. And then her husband comes back to the United States after his contract period is up. Then the husband makes another contract period abroad. The expenses would be paid abroad for both. wouldn't it?

Mr. MARTINY. Well, Congressman, under the first proviso he couldn't come back before his period was up.

Mr. McCORMACK. No; that is true.

Mr. MARTINY. No. I understood you to say that he came back under the first proviso before——

Mr. McCORMACK. That is right. Have you seen the suggestion of Mr. Mangan, speaking for the Department of the Army?

Mr. MARTINY. Yes.

Mr. McCORMACK. On page 6 of his statement——

Mr. MARTINY. We have it here.

Mr. McCORMACK. As to the order of the three provisions of the bill.

Mr. MARTINY. Yes.

Mr. McCORMACK. What is your thought on that?

Mr. MARTINY. I believe it would be good legislation to do that. Once you analyze the provisions, you will see how complicated these travel bills are becoming by adding these provisos on them, and I believe his suggestion would be advisable, but it won't cure the overall picture because we are adding provisos in this bill that extend benefits to transferees and to new appointees, and this bill amends only section 7.

Section 7 of the basic bill applies only to new appointees overseas. It is applied to the transferees by reason of assimilation to another provision of Public Law 830, so the whole thing is becoming confused, and that is why we suggested using the all-inclusive word "employees" rather than just "appointees," as is done in this bill.

Even then we have got to stretch an interpretation to bring a transferee under section 7. I think we have done that under other provisions of section 7, Public Law 600. I think his suggestion possibly is a valid suggestion.

Mr. McCORMACK. Assuming that the first proviso was amended as you have suggested, what then?

Mr. MARTINY. Then it would cover both transferees and new appointees.

Mr. McCORMACK. And it would not be necessary to put it at the end?

Mr. MARTINY. No. Technically it is immaterial where it is so long as the language is clear.

Mrs. CHURCH. Had you finished?

Mr. McCORMACK. Yes.

Mrs. CHURCH. Mr. Martiny, you were present, were you not, during the previous testimony?

Mr. MARTINY. I was.

Mrs. CHURCH. Does it occur to you that the Defense Department was not fully in agreement with your interpretation that no return transportation was allowed, as you remember?

Mr. MARTINY. Yes. We have been arguing about these provisions since 1946. Possibly I could give you a little background on how this situation came about?

The Army and Navy had 2 laws, 1 in 1942, and the Navy, I think, was 1943. Those laws more or less permitted these transactions because they could go out and enter into a contract with a man providing in effect that "I will take you overseas for 2 years and bring you back." Those were contract rights.

Because of some of our decisions I think we more or less all went along passively with the idea that they could continue doing this, but under Public Law 600 there wasn't any specific authority for the return of a career employee for home leave—now I distinguish between a temporary or an indefinite employee who is hired to go overseas for a particular period, under an agreement to the effect: "I will hire you to go overseas for 2 years; then I am going to bring you back." But now we are getting into a class where a career employee is sent overseas for an indefinite period. When the Comptroller saw what was happening he decided to stop this practice and that is when he took the step in October of 1949 and said, in effect, "This has got to stop and from here on out you are going to have to have specific legislation to get anything further." From then on he has refused to say, or he has

always held that there was no authority under section 7 to bring these employees back on home leave.

When Public Law 830 inserted the word "separated," there was no question any more because in order to be entitled to those benefits a man had to be separated. Then there was no further question.

Mrs. CHURCH. I am afraid there is some confusion on the part of the proponents of the bill as to what the bill really authorizes and that should be cleared up.

Mr. MARTINY. We would be glad to clear it up if we knew where the confusion was.

Mrs. CHURCH. I have the feeling from those who have written me, and from the testimony of the Defense Department this morning, that there is acceptance of the fact that the second provision of the bill includes the right of a man who goes home for humanitarian reasons to come back at Government expense, comparable to other branches. Maybe I am wrong, but my mail has mentioned that several times, and if it isn't in the bill, the bill should be so drawn as not to be confusing to anyone.

Mr. MARTINY. I do not believe the bill would authorize that under the second proviso.

Mrs. CHURCH. In other words—let's be clear about it—you believe that under the second proviso the Government would merely pay the expenses to this country?

Mr. MARTINY. That is right. The word "return" is used. If you want to broaden it to say "round trip" then we don't have any trouble with it.

Mrs. CHURCH. Or at least have it understood that it isn't round trip.

Mr. MARTINY. That is right. As it stands now it is "return" and I am sure the Comptroller General would have to interpret that to mean bring the man from the foreign post back to the United States and that is the end of it, under that proviso.

Mrs. CHURCH. Mr. Hoffman?

Mr. HOFFMAN. Yes; I have a few questions.

We have civilian employees abroad who are, say, file clerks, stenographers, accountants, lawyers, all those categories?

Mr. MARTINY. Yes, sir.

Mr. HOFFMAN. Will you give us a statement showing the fees, compensation, benefits, that those people abroad receive and compare it with what individuals in like employment receive here in the States?

Mr. MARTINY. That would be a rather large job, Congressman. We would attempt it, I believe—the reason I am hesitating is that I am wondering if it isn't in some of these more recent reports from the Bureau of the Budget where they are studying these overseas practices.

Mr. HOFFMAN. I don't care where they are. I would just like to get information. You don't need to have a great number, but if you would take one file clerk here and one abroad who are in the same line of duty, generally performing approximately the same duties, and the same with a stenographer, an accountant and a lawyer, and maybe a cook or a baker, whoever you have, just so we know. My purpose is to get a comparison, an actual factual comparison, of the compensation in the different services.

Mr. MARTINY. Yes; I will be glad—

Mr. HOFFMAN. Because we are told so often that the employees who serve abroad have so many hardships that we don't have here in the

States that they should have extra benefits and compensation. I would like to know just how much truth there is in that, how great the degree of difference may be, if there is a difference, and in whose favor.

Mr. MARTINY. I will be glad to furnish the figures on that and give you an illustration of the comparison of, say, 2 or 3 different positions, realizing that we will have to rely on these tables and figures that are prepared either by the Bureau of the Budget or Civil Service.

Mr. HOFFMAN. Typical ones, selected by chance rather than selected after the comparison has been made.

Mr. MARTINY. Well, it would have to be on positions.

Mr. HOFFMAN. On what?

Mr. MARTINY. The comparison, of course, would have to be on types of positions that were in various grades.

Mr. HOFFMAN. Yes; but there might be a difference in individual compensation.

Mr. MARTINY. There is some difference in the types of allowances, but we can set those forth for you.

Mr. HOFFMAN. And the reason for that request is, for example, here today we have witnesses, some 25 or 26 people, apparently all in favor of this bill. From the very nature of the situation the people, the taxpayers, have no one to represent them, unless it be their Representatives in Congress. There is no one here to testify as to the other side of this bill, any demerit it may have or any extra cost that may be imposed. Do you see the point?

Mr. MARTINY. Yes, sir.

Mr. HOFFMAN. Except as Members of Congress do it. So that puts me necessarily in the position of inquiring about these additional costs, if any, because my constituents want to know. I appear to be in opposition to all of you people. It doesn't make a fellow very enthusiastic in his questioning when he doesn't have any support from other witnesses. So I will have to depend on you to give us the facts.

Mr. MARTINY. We will be glad to furnish the facts on that question.

(See table I, showing the post and quarters allowance of employees stationed overseas (Paris, France), and table II, showing a comparative cost-of-living index between Washington, D. C., and overseas posts in the appendix, p. 85.)

Mr. HOFFMAN. Then you say in your statement, and I quote, "Except as hereinafter discussed, the General Accounting Office has no objection to the enactment of this legislation."

Am I not correct in assuming that, speaking bluntly, it isn't the business of the General Accounting Office to say whether the legislation is desirable or not, except as it affects the amount which would be paid out?

Mr. MARTINY. That is true, Congressman.

Mr. HOFFMAN. As to the wisdom of increasing or decreasing the compensation or benefits of these employees who would be covered that isn't any of your business, is it?

Mr. MARTINY. That is why my statement is written as it is. We have no objection, yet we don't come out and say we are for or against it.

Mr. HOFFMAN. And then on the floor someone in favor of the bill says that the General Accounting Office reports that there is no objec-

tion from that office, without saying it wasn't any of the business of the General Accounting Office to make any objection.

Mr. MARTINY. If I may add, that statement is written that way advisedly for that very purpose.

Mr. HOFFMAN. As Counsel Jenkins said over on the other side of the Capitol to the witness, I think yesterday, "You were present, so by your silence you gave endorsement to the bill," and you say now you haven't any objection, which some folks will unjustly and without authority construe as being you are for the bill.

Mr. MARTINY. I don't believe they are justified in drawing that conclusion.

Mr. HOFFMAN. I don't either. But they will.

That is all.

Mr. McCORMACK. In connection with this information you are going to furnish, I would also like to have you give me information as to the increased cost that anybody might have, an employee abroad, for example, in their living expenses, rental expenses; we might as well have all the evidence; what are the differences between the comparable cases, one employed in America and one abroad, as to their expenses. Of course, you can't consider their human feelings that they might be going to make a sacrifice to go over in the service of our country, and all that. You can't go into that, but there are other factors involved than mere salary. You understand that, don't you?

Mr. MARTINY. Yes.

Mr. McCORMACK. I would like to have you go into all those factors.

Mr. MARTINY. You realize that is a very broad field, Congressman.

Mr. McCORMACK. I understand, but we want it complete.

Mr. MARTINY. I am afraid we are coming back to some reports already made, if that will satisfy you.

Mr. HOFFMAN. That is right.

Mr. MARTINY. Because this is a field strictly in the jurisdiction of the State Department overseas and the Civil Service Commission as to territory, so obviously we can't make the survey ourselves.

Mr. McCORMACK. Now, the General Accounting Office is an agent of Congress?

Mr. MARTINY. That is true.

Mr. McCORMACK. And you are sitting here testifying in that capacity, also?

Mr. MARTINY. That is right.

Mr. McCORMACK. Now, you say you have some of your own employees abroad now?

Mr. MARTINY. Yes, sir.

Mr. McCORMACK. Would you like this bill or a bill along this line passed for their benefit?

Mr. MARTINY. I believe it would be advisable as an administrative aid.

Mr. McCORMACK. So far as your own agency is concerned, you recommend it for your own employees?

Mr. MARTINY. Yes, sir; but as for an agency of Congress we take no position as to whether it is good legislation or not.

Mr. McCORMACK. But you personally think it is good legislation?

Mrs. CHURCH. Are there any further questions?

Mr. McCORMACK?

Mr. McCORMACK. No.

Mr. HOFFMAN. I have one. Your opinion on that last one is because you have your own employees who assist you in performing your duties abroad and you would like them to have more money?

Mr. MARTINY. No. I would like to have them have the benefits of being able to return home on leave after a period of 2 years. We would like to have them retained over there so we don't have to transfer them back or have them separated in order to be entitled to the benefits.

Mr. HOFFMAN. You think it will give you better service?

Mr. MARTINY. I wouldn't commit myself on that. We may have another employee who is just as good to send over there, but if we brought the man back who is over there we would have an additional expense, possibly, in returning his household effects.

Mr. HOFFMAN. Then you want it because you think it will save the Government money?

Mr. MARTINY. I believe it will save the Government money.

Mr. HOFFMAN. And you would be speaking, when you say that, as a representative of General Accounting?

Mr. MARTINY. That is true.

Mr. HOFFMAN. And then personally, you had another opinion, too?

Mr. MARTINY. Personally, I believe it is good legislation. It is an employee benefit.

Mr. HOFFMAN. Now, a little further—I realize that Mr. McCormack and I are getting you into a rather large job, possibly, which you may shorten by reference to other reports. Mr. McCormack said something about how he realized you couldn't include some of the sacrifices that might be made.

I realize, too, that you couldn't include some of the benefits in the way of seeing these foreign countries, the art treasures, and all those things. You couldn't include those, but you might include a statement as to the servant problem over there. I mention that because we read about how many servants some of our folks were entitled to and what they had to pay. And I think it was in the Saturday Evening Post that there was an article written by an employee's wife concerning the benefits that they had in Germany which they didn't have here as to rent and cost of living, and all that.

If you do mention anything about the hardship, then include some of those other benefits, will you? They need not necessarily be financial.

Mr. MARTINY. With your permission, I would just as soon leave that out. I think we are getting into the realm of—I don't want to say hypothetical cases because I know it has happened, but those particular ones that you mentioned, particularly the Saturday Evening Post, I believe that applied to the Foreign Service and, of course, the civilian employees generally do not have those privileges that I know of, privileges for allowances for servants, but must pay for them when they hire them.

Mr. HOFFMAN. This applies to the military, too, as I understand it.

Mr. MARTINY. No, sir, this applies only to civilian.

Mr. HOFFMAN. Yes, but there are civilian employees in the military?

Mr. MARTINY. Yes, sir.

Mr. HOFFMAN. Yes.

Mr. MARTINY. But they do not have any allowances that are granted under the Foreign Service Act.

Mr. HOFFMAN. I know, but they get some of their own, don't they?

Mrs. CHURCH. Are there any further questions?

Thank you, Mr. Martiny.

(Discussion off the record.)

Mrs. CHURCH. I believe we have a witness from the Bureau of the Budget, Mr. Pearson.

**STATEMENT OF HAROLD L. PEARSON, ASSISTANT DIRECTOR  
DESIGNATE, BUREAU OF THE BUDGET**

Mr. PEARSON. Madam Chairman, for the accuracy of the record, I am speaking at this point—

Mrs. CHURCH. Will you identify yourself?

Mr. PEARSON. Yes. My name is Harold Pearson. I am the Assistant Director designate of the Bureau of the Budget. Some 23 hours from now I can speak as the Assistant Director of the Bureau of the Budget. At this moment I must add that appendage for technical accuracy.

In response to your request, I am glad to have the opportunity to give you the views of the Bureau of the Budget on H. R. 179, a bill to amend section 7 of the Administrative Expenses Act of 1946 by adding three provisos which would authorize:

First. The allowance of payment of expenses of roundtrip travel and transportation home for an employee and his family for the purpose of taking leave between tours of duty overseas;

Second. Payment of expenses of transportation of the family and shipment of household effects of an employee who has acquired eligibility for such transportation prior to his return or where the public interest requires the return of the dependents for compelling personal reasons of a humanitarian or compassionate nature; and

Third. Reimbursements of an employee for expenses he incurs in returning his family and household goods to the United States prior to his return, at such time as he acquires eligibility.

The latter two provisos were included, principally at the request of the General Accounting Office, for the purpose of establishing clear statutory authority for practices presently approved by decisions of the Comptroller General.

However, the second condition of proviso 2, "Where the public interest requires the return of dependents for compelling personal reasons of a humanitarian or compassionate nature," is new and is the single item within provisos 2 and 3 which might involve some additional costs to which the Government is not currently committed in the Administrative Expenses Act of 1948, as amended.

The number of cases falling into this new category would be small, and, in the majority of these, employees eventually complete their required period of service and become entitled as a matter of right to such return transportation.

The first proviso, that of allowing for expenses of round-trip transportation for employees and their families to their homes for the purpose of taking leave between tours of overseas duty is one which the administration believes is essential in improving the quality and stability of its staff of employees abroad.

It is important to note that this legislation will apply only to those United States citizens who are hired in the United States for service in a foreign country or in a Territory or possession and those United States citizens who are hired in a Territory or possession for service elsewhere abroad.

The Foreign Service Act of 1946, as amended, currently provides for payment of these travel and transportation expenses for the 9,000 employees of the Department of State, the Foreign Operations Administration, and the United States Information Agency in addition to special home leave as provided in the Annual and Sick Leave Act of 1951.

Some 21,000 additional employees in foreign countries, 93 percent of whom are employed by the Defense Department and the remainder in 16 other agencies, would be covered by this proposed legislation. Under the provisions of the Administrative Expenses Act of 1946 these employees are entitled to return transportation of themselves, their dependents, and effects upon completion of their agreed period of service.

Of the nearly 56,000 Federal United States citizen employees serving in the Territories and possessions, approximately 25,000, or 45 percent, were hired in the United States and shipped abroad under agreements which assured return transportation of themselves, their dependents, and effects.

Thus although it is the policy of the Government to utilize the local labor supply to the fullest extent possible, it is significant that the departments and agencies have found it necessary to transport overseas skilled and professional personnel and others not available in the local market.

In a study on overseas pay and personnel practices made jointly by the Civil Service Commission and the Bureau of the Budget in 1951 and submitted in a report to the Senate Post Office and Civil Service Committee it was revealed that the annual quitting rate of all employees in the Territories was 31 percent, or 62 percent for the customary 2-year period of service. Among those employees hired in the United States for service in the Territories the quitting rate for the 2-year period ranged from 80 to 100 percent for various categories of employees.

This is, we believe, solid statistical base for the assumption that the turnover rate could be improved under the circumstances of the bill here being considered, that is, that there would be less loss of skilled people without additional cost, as we will try to develop in a moment.

The principal agencies concerned in employment in the United States for service in the Territories which would be affected by this legislation are:

The Department of Defense, with 15,000, or 60 percent of the total of 25,000; the Commerce Department, with 2,500, or 10 percent of the total; and the Interior Department, with 2,500, or 10 percent of the total.

Defense hires 39 percent of its Territorial employees in the United States; Commerce 84 percent; and Interior 36 percent.

Fifteen percent of the United States-hired employees, or 3,800, work for the Panama Canal Company and the Canal Zone Govern-

ment and enjoy a nominal fare on the Company's steamship line for themselves and their families.

The 300 employees of the Department of the Interior in the Virgin Islands who were appointed from the United States are entitled by Public Law 667, 74th Congress, to free transportation to and from a United States port not oftener than once during each 2 years of service for the purpose of taking leave.

To sum the situation both in foreign countries and in the territories: The Government is presently spending large sums to return a large majority of its United States-hired employees at the conclusion of their 2-year tours of duty overseas. In all of these cases, except those under the Foreign Service Act and Panama Canal and Virgin Islands legislation, it is one-way transportation, including the cost of transporting effects, which is large. The cost of replacing these employees includes recruiting, training, ineffectiveness during a period of adjusting to the new environment and job, and the transportation of their effects.

The Defense Department, which employs nearly 80 percent of the personnel affected by this legislation has made estimates on the savings which would be involved. The Bureau of the Budget has reviewed the formulas by which these estimates are being developed and believes they are reasonable.

The Bureau particularly endorses an important objective of this bill which is to reduce inequities in treatment of Federal employees which have resulted in poor morale and expensive turnover.

As stated in the Bureau's letter of July 16, 1953, I am authorized to advise this committee that enactment of H. R. 179 would be in accord with the program of the President.

I will try to answer any questions.

Mrs. CHURCH. I certainly thank you for the statement.

Mr. McCormack, do you have any questions?

Mr. McCORMACK. I have no questions to ask Mr. Pearson, but I would simply like to make this observation, Madam Chairlady.

I have been here 26 years in the House, and this is one of the most informative statements I have ever heard made, giving to me a very clear picture of the overall situation, and I want to congratulate you.

Mr. PEARSON. Thank you.

Mrs. CHURCH. If during the committee discussion the question was raised as to whether it would materially weaken the effectiveness of the bill to strike out the section dealing with free transportation for dependents for compassionate reasons—I am not suggesting it, but I am anticipating possible discussion—would you consider that would have a serious weakening of the bill?

Mr. PEARSON. I would have to express a personal viewpoint.

Mrs. CHURCH. I would appreciate it if you would do that, but you need not feel that you have to.

Mr. PEARSON. I will be expressing a personal viewpoint, not the viewpoint of the Bureau, because as I explained before, I will not be the Assistant Director for a few hours yet.

We do a great many things in the name of humanitarianism which, fortunately, we can well afford to do, and I would believe that this should be included in that category, risking, perhaps, some minor dangers of abuse, against the much greater and broader human need

of considerate treatment of people whom we have asked to travel a great distance to serve us.

Mrs. CHURCH. Following that commendable viewpoint, I would like to ask whether you think an extension of that humanitarian purpose should provide transportation back to where husbands are?

Mr. PEARSON. It seems unfortunate that a compassionate purpose would require a separation of the family which could be reassembled only after the passage of what might be a considerable period of time.

My personal viewpoint would be that when the purpose for which the return to the homeland had been accomplished, if there were an equitable basis for it that would permit a reassemblage of that family, it should be done.

Mrs. CHURCH. Would you consider the elimination of the provision that household effects might be carried free in exchange for the personal transportation back?

Mr. PEARSON. Why, I don't believe that the compassionate reasons should include the return, the round-trip return from the foreign point of service to the United States and back to the post of household effects if it can be known that the person will return and continue his service at that foreign post.

Mrs. CHURCH. Maybe it is because I have a peculiar interest as the one member of the family of this committee who belongs to the distaff side. To me it seems there is very little compassionate benefit from shipping a wife or dependents home without making some provision for return and—

Mr. PEARSON. Reassemblage.

Mrs. CHURCH. Yes. And if it were myself, I would rather have struck out for me the privilege of taking back household effects in exchange for a return ticket back, if the circumstances warranted it.

I see Mr. McCormack looking very quizzical—

Mr. McCORMACK. No; I am not. I am very interested in this whole question, because it hits my heartstrings. I find myself silent because in this case silence means approval.

Mrs. CHURCH. Well, it might not be practical, and I am perfectly sure there would be objection to it, but as the colloquy developed this morning it seemed to me we were doing a very uncertain service if we were providing transportation to break up a family without any thought of getting it united again. Maybe it is all you can get, but I raise the question.

Thank you, Mr. Pearson. We are glad to have you aboard.

Mr. PEARSON. Thank you.

Mr. SMITH. I have some questions, Madam Chairman.

Mrs. CHURCH. Mr. Smith.

Mr. SMITH. Mr. Pearson, on page 4 of your statement, you indicate that under the Department of Interior, the Virgin Islands situation, under Public Law 667, public transportation is furnished Government employees to a United States port once every 2 years for the purpose of taking leave. Would you have any objection, or would it be your recommendation that a similar provision be included in this bill rather than the present provision that they be returned to their residence?

Mr. PEARSON. The reference made here is for completeness of legislative parallelism without recommendation.

My personal belief would be that to return them to a port rather than to their home under the circumstances described here would be

unsatisfactory if they have the contractual right to return to their homes. Of course, they may stay, but on the humanitarian side it would not be a complete service of the humanitarian interest that generated the trip itself from whatever point.

Mr. SMITH. What would be your recommendation in connection with making more than one return every contractual period, complete round trip, that is?

Mr. PEARSON. Your question deals with the humanitarian return only?

Mr. SMITH. Yes.

Mr. PEARSON. I should dislike to feel that the United States, confronted by two or more totally unanticipatable, unpredictable, genuine Red Cross-endorsed humanitarian needs, would not find the means of meeting those needs in the way prescribed by the bill as it is now drafted.

I think none of us can predict the frequency with which those events occur in our family lives.

Mr. SMITH. Well, the General Accounting Office representative in his testimony indicated his interpretation of the word "return" meant one return only under the present proposed bill.

Mr. PEARSON. Yes; that is the point we were just discussing a moment ago. I believe—again this is a personal viewpoint—that would be equivalent to encouraging or participating in a set of conditions which would result in the separation of the family for perhaps an unduly long period of time, but I would not think that it would represent good personnel management.

Mr. SMITH. Do you believe it would be necessary to amend the bill to take care of the people who have previously been under contract who, back in, let's say, 1949 or 1950, were under contract, to provide for their return under this bill?

Mr. PEARSON. I don't believe I quite understand the question. If they were under contract as long as that, they would have, of course, earned their right to return long before this.

Mr. SMITH. That is correct.

Mr. PEARSON. And would have then reenlisted or they would not now still be there.

Mr. SMITH. So that in your interpretation, everyone who is presently under contract would then be covered by this bill?

Mr. PEARSON. To the extent of the terms of their existing contract, not retroactively to any prior contracts of which the present contract might be an extension.

Mr. SMITH. I see. That is all.

Mrs. CHURCH. Thank you, Mr. Pearson.

We have a witness from the Civil Service Commission. Will you identify yourself for the record?

**STATEMENT OF HENRY A. DuFLON, STAFF ASSISTANT, WHITE HOUSE OFFICE; ACCOMPANIED BY JAMES McGURRIN, PROGRAM PLANNING ADVISER, BUREAU OF PROGRAMS AND STANDARDS, CIVIL SERVICE COMMISSION**

Mr. DuFLON. My name is Henry A. DuFlon, and I am representing Chairman Philip Young, as his staff assistant, accompanied by Mr. James McGurrin, of the Civil Service Commission.

Madam Chairman and members of the committee, I am glad to have this opportunity to present the Commission's views on H. R. 179, a bill to amend section 7 of the Administrative Expenses Act of 1946.

Mrs. CHURCH. Perhaps you might drop the description of the bill, if that is acceptable to the others.

Mr. DuFLON. I was going to say we are in favor of H. R. 179, but we might suggest certain changes in the wording of it.

We are in full accord with the proposed changes in language that the General Accounting Office representative, Mr. Martiny, has recommended and placed in the record.

As I followed his suggested changes on our own draft here, I find that with one exception, where we used the term "authorized dependents" and he used "immediate family," we are in complete accord.

So if you would care to have us, we can very largely skip our printed testimony, if you could put it in the record.

Mrs. CHURCH. Without objection, that will be placed in the record at this point.

(Printed statement of Henry A. DuFlon is as follows:)

STATEMENT OF HENRY A. DUFLON, STAFF ASSISTANT, WHITE HOUSE OFFICE, REPRESENTING CHAIRMAN PHILIP YOUNG, UNITED STATES CIVIL SERVICE COMMISSION

Mr. Chairman and members of the committee, I am glad to have this opportunity to present the Commission's views on H. R. 179, a bill to amend section 7 of the Administrative Expenses Act of 1946.

In our opinion this bill would correct certain conditions which adversely affect the Government's ability to obtain and retain competent employees in its overseas service. We urge that you give favorable consideration to the bill, with a few changes for the purpose of clarifying the intent.

The first provision of H. R. 179 would authorize the payment of traveling expenses of overseas employees to the United States and return to the overseas post of duty so that they may take earned vacations between tours of duty abroad. Under present laws they cannot do this generally because of the prohibitive cost of the travel involved for them and their dependents. Upon completion of a tour of duty, employees are now faced with three choices.

(1) Employees, if they can afford it, may use their own funds in providing themselves and their families with a stateside vacation. In view of the high cost of travel, such a choice is usually out of the question for lower and middle grade employees, particularly those distant from the United States or those with dependents.

(2) Employees can resign their positions and thus be furnished Government transportation to the United States for themselves, their dependents, and, unless they are returning to the overseas post on a new appointment, their household effects. In this case, the Government risks the loss of trained, experienced overseas employees, even though they may be offered reemployment overseas by the agency. There is, in addition, the cost of the paperwork involved in processing personnel actions even if the employee returns overseas, and the cost of recruiting, transporting, and training a replacement if he does not.

(3) Or the employees can continue serving at the overseas post without taking leave in the United States. In this case, they lose contact with their families, including wives and children in some cases, with friends and with the United States. They begin to lose the American point of view and may become less satisfactory representatives of the United States. Their physical and mental vigor and morale may suffer by unbroken service at certain posts, as those in tropical or isolated areas.

This need has been recognized by the Congress in the case of the Foreign Service. The Foreign Service Act actually requires the Secretary of State to order to the United States on leave every United States citizen in the Foreign Service as soon as possible after completion of 2 years of continuous service abroad. The act authorizes the payment of travel expenses to such persons and their families in connection with such leave in the United States.

In a survey of the overseas personnel and pay practices of 16 large American companies operating abroad, made by the Government in November of 1952, it

was found that, without exception, such companies pay the travel expenses of American employees and their families returning to the United States for leave every 2 or 3 years.

These practices are based upon many years of experience in operating abroad. Authority for similar practices for all overseas employees of the Government generally is needed if a fully satisfactory overseas work force is to be built and maintained.

Although I consider the above feature of this bill to be the most important one, the bill makes two other provisions which we also strongly favor.

The second provision of H. R. 179 would authorize the payment of transportation expenses of the immediate family and household effects of any employee from the post of duty outside the United States to place of actual residence, prior to the return of the employee to the United States, under certain conditions.

The first is when the employee himself is eligible for such transportation. Existing decisions of the Comptroller General (31 Comp. Gen. 683) allow expenses of returning the family and household goods of an employee eligible for return transportation where the employee elects to serve at the overseas station for an additional period. The proposed new proviso would provide a specific statutory basis for the payment of such expenses.

The second condition under which transportation expenses of the immediate family and household expenses would be paid by the Government prior to the return of the employee would be when the public interest requires the return of the dependents for compelling reasons of a humanitarian or compassionate nature or obligation imposed by authority or circumstances over which the individual has no control.

It is believed that if the dependents' return to the United States is required for compassionate reasons the employee should not be faced with his current choice of:

(a) Keeping them with him overseas until he completes his tour of duty, endangering their health or well-being.

(b) Seeking release from his employment agreement in order to return to the United States with his family when both he and his agency desire him to continue in the overseas job.

(c) Bearing the travel expenses himself merely because the threat to the health or well-being of his wife and children arose before he completed his tour of duty. This appears unfair because the threat to health may be due to conditions at the post, or may be something the employee never anticipated and for which he is not at fault. In such cases, the employee may be motivated to quit his job, even without a release, and return to the United States with his family.

The result is that the Government loses trained employees and has the expense of recruiting, transporting, and training replacements. This could be avoided if the Government were authorized to return the dependents at Government expense even though the employee remains at his station.

The third provision of H. R. 179 covers the situation where an employee returns his family and household goods to the United States prior to acquiring eligibility for such transportation. H. R. 179 would require the Government to reimburse him at such time as he completes his tour and acquires eligibility. This proviso would provide a specific statutory basis for reimbursement of such expenses, now allowed within the limitations, specified therein under decisions of the Comptroller General (32 Comp. Gen. 143). This authority is helpful in these cases where the wife or children cannot make a good adjustment to the particular overseas environment involved and their continued presence under such circumstances is a source of distraction to the employee and impairs his efficiency. It aids in the retention of many employees, since if an employee will be reimbursed when he complete his tour of duty he will tend to remain to complete it rather than returning with his family.

Insofar as we can determine, enactment of H. R. 179 would not result in substantial additional costs to the Government. The bill does permit the expenditure of Government funds in ways not presently authorized but, most of the expenditures probably would have been made in any event, as has been pointed out above. For example, if the Government must pay for the travel of the employee and his wife when they return to the United States together, it seems immaterial that she be permitted to return before the employee and not required to wait until he does. On the other hand, enactment of the bill will result in considerable savings in the cost of recruiting, transporting, and training new employees.

Certain changes for the purpose of clarifying the intent of the bill appear in our report and, for the convenience of your committee, are listed in an attachment to the copies of this testimony. With these changes, we strongly recommend that you give favorable consideration to this legislation.

AMENDMENTS TO H. R. 179 PROPOSED BY THE CIVIL SERVICE COMMISSION

We recommend that the proposed bill be amended as follows:

(1) Page 1, lines 5 and 6: The words "changing the period at the end thereof to a colon and adding" should be changed to read, "inserting immediately before the last sentence thereof."

The last sentence of the present act provides: "This section shall not apply to appropriations for the Foreign Service, State Department." The above recommendation would make the structure of the statute more orderly.

(2) Page 1, line 7: The phrase "expenses of return travel and transportation, including authorized dependents but excluding household effects" should be changed to read "expenses of round-trip travel of employees and transportation of authorized dependents, but excluding household effects."

We believe that the above two changes express more accurately the legislation. The use of the word "return" might be interpreted to mean that the Government will pay only one-way travel and transportation. The restriction of expenses of dependents to "transportation" expenses makes it clear that per diem is not authorized for dependents.

(3) Page 1, line 10: The words "or transfer" should be inserted after the words "of appointment" since some overseas assignments are affected as transfers as well as appointments.

(4) Page 2, line 5: The phrase "at the same overseas post" should be changed to read "at the same or any other overseas post." This change would increase administrative flexibility and also the ability to retain competent personnel.

(5) Page 2, line 8: The second word on this line ("and") should be deleted, for it is undoubtedly a typographical error.

Mr. DuFLON. And we would like to add that we are in accord with the General Accounting Office's changing in the wording.

Mrs. CHURCH. I also understand that you have a suggestion on page 1, line 7, to substitute the words "round trip" for the word "return."

Would you speak to that?

Mr. DuFLON. Well, our thought was that the proviso "round trip" was actually intended, and there would be danger of misinterpretation if the word "return" were used.

I notice the General Accounting Office also used the words "round trip."

Mrs. CHURCH. Would you care to comment on the hypothetical question that I raised as to whether the provision on page 2 should be round trip instead of return?

Mr. DuFLON. We had one part of our testimony which concerned the compassionate reasons, and I am not sure I am answering clearly your question, but—

Mrs. CHURCH. May we have that?

Mr. DuFLON. It is believed that if the dependents' return to the United States is required for compassionate reasons the employee should not be faced with his current choice of:

(a) Keeping them with him overseas until he completes his tour of duty, endangering their health or well-being.

(b) Seeking release from his employment agreement in order to return to the United States with his family when both he and his agency desire him to continue in the overseas job.

(c) Bearing the travel expenses himself merely because the threat to the health or well-being of his wife and children arose before he completed his tour of duty. This appears unfair because the threat to health may be due to conditions at the post, or may be something the

employee never anticipated and for which he is not at fault. In such cases, the employee may be motivated to quit his job, even without a release, and return to the United States with his family.

Now, your particular question, of course, relates to——

Mrs. CHURCH. To an emergency call at this end.

Mr. DuFLOX. Where a wife would join her husband overseas again?

Mrs. CHURCH. Yes.

Mr. DuFLOX. We haven't considered that in our prepared statement.

Mrs. CHURCH. Is there any record of how often someone has come home and then gone back? I suppose for thousands of employees it would be impossible to get it.

Mr. DuFLOX. Not to my knowledge. I don't believe there would be, would there, Jim?

Mr. McGURRIN. No, I don't think any record was ever kept. I myself know that there is no travel of any kind unless there is specific authority for it; that is, you can't write travel orders unless you can cite authority, so that there would be very little travel of dependents back to the United States without the principal, and if they did come back to the United States without the principal I doubt if there were any cases where they were permitted to travel back to the overseas post to join the principal. I doubt very much if there is such an instance.

Mrs. CHURCH. I can see it as a possible abuse of privilege, but I can see the necessity for it, also.

Has anyone taken up the psychological question as to the effect of not permitting return to the post? I am remembering an island in the Pacific which I visited, where I saw tremendous discontent among the new wives, who I think would have quickly snapped at a chance to go home. Would this bill lead to unnecessary return?

Mr. DuFLOX. I suspect it would have to have administrative control. I imagine such situations could arise, but I imagine they could also be controlled, an unsubstantiated need to go home, based on personal opinion rather than actual need.

Mr. McGURRIN. I was with the Department of the Air Force before I transferred to the Commission, and our practice in all those cases was to require a certificate from an Air Force medical officer that continued presence at the post was actually endangering the health of the wife before she was permitted to return to the United States for humanitarian reasons.

Mrs. CHURCH. Mr. McCormack, do you have any questions?

Mr. McCORMACK. No.

Mr. SMITH. No questions.

Mrs. CHURCH. Thank you very much.

Mr. McCORMACK. Mr. Mangan, you heard the suggestions of the General Accounting Office for certain amendments, and you have heard the report of Mr. DuFlox, of the Civil Service Commission, saying the Civil Service Commission agreed with them. What is your feeling on these amendments?

Mr. MANGAN. We are in general accord with the ones in Mr. Stevens' official report.

Mrs. CHURCH. We have representatives here now from certain Government departments, Mr. McCormack, and we have witnesses from labor organizations. Do you have any preference as to order of testimony?

Mr. McCORMACK. You are the boss.

Mrs. CHURCH. Mr. Whipple, representing the Department of Agriculture.

**STATEMENT OF CLAYTON E. WHIPPLE, ACTING ADMINISTRATOR,  
FOREIGN AGRICULTURAL SERVICES, DEPARTMENT OF AGRICULTURE**

Mr. WHIPPLE. Madam Chairman, I am Clayton E. Whipple, Acting Administrator of the Foreign Agricultural Services of the Department of Agriculture.

If there is no objection, I would be glad to have our statement put in the record, together with our legislative report.

Mrs. CHURCH. Without objection, it will be so ordered, Mr. Whipple. (Statement of Clayton E. Whipple is as follows:)

**STATEMENT OF CLAYTON E. WHIPPLE, ACTING ADMINISTRATOR, FOREIGN  
AGRICULTURAL SERVICES, DEPARTMENT OF AGRICULTURE**

In July 1953 the Department of Agriculture submitted a report to the chairman of the Committee on Government Operations on H. R. 179. This report stated that it was the Department's opinion that the enactment of H. R. 179 would go a long way toward overcoming one of the major objections that employees have to assignments outside of the continental United States. Just knowing that they can return for leave after a reasonable period and that their families may be returned in the event of illness or other unforeseeable conditions should contribute materially toward relieving the apprehension with which these assignments are regarded by many employees. It was further stated in the report that the enactment of this bill would grant to all employees serving outside of the continental United States some of the benefits now authorized for those employees who are governed by the Foreign Service Act of 1946. We believe that these points which were covered in the Department's report last July apply equally well today.

I should like to point out some of the specific reasons why we favor the enactment of this bill:

1. It would facilitate securing the most competent employee for assignment outside of the continental United States if he had the assurance that after an agreed-upon time he and his dependents could return to their home for a period of leave. This would afford the family the opportunity to renew associations with relatives and friends, thereby contributing to improved morale.

2. The employee will be much more effective in his job by maintaining and renewing his perspective as a representative of the United States through the contacts made possible by the period of leave.

He will also be able to improve his technical and personal competence which is an important consideration in meeting the requirements of their position. In many lines of work it is necessary to maintain contact with production and trade groups in order to be effective.

3. It would appear to be administratively desirable that the Federal Government, in the conduct of its overseas activity, establish as much uniformity as possible in employee benefits so that unnecessary interagency competition be held to a minimum and morale problems caused by inequities may be reduced.

In our report we suggested three amendments which are primarily clarifying in nature. One of the provisos in the bill would limit the benefits to those employees who are to return to the same post and would not apply to employees who under the same circumstances agree to serve another tour of duty at a different post. It is often in the best interest of the Government to have the employee assigned to a different post and this should be provided for.

We recommend the enactment of the bill with the clarifying amendments.

Mrs. CHURCH. We would like to have your comments on the points raised this morning.

Mr. WHIPPLE. Thank you.

I would say that the Department of Agriculture favors the enactment of this bill.

We have three minor suggestions for changes which appear in our legislative report. We are in favor of the amendments which have been proposed.

Mrs. CHURCH. Mr. Smith, have we a list of the changes recommended by the Department of Agriculture?

Mr. SMITH. Yes.

Mrs. CHURCH. Mr. McCormack, do you have any questions?

Mr. McCORMACK. No.

Mrs. CHURCH. Mr. Smith?

Mr. SMITH. No.

Mr. WHIPPLE. Thank you very much. It was a pleasure to be here.

Mrs. CHURCH. Mr. Frank Stone, from the Department of Commerce.

**STATEMENT OF FRANK STONE, REGIONAL DIRECTOR, CIVIL AERONAUTICS ADMINISTRATION; ACCOMPANIED BY SHERMAN MORRIS, LEGISLATIVE COUNSEL, OFFICE OF GENERAL COUNSEL, CIVIL AERONAUTICS ADMINISTRATION**

Mr. STONE. Madam Chairman, I am Frank Stone, regional administrator of the international region of the Civil Aeronautics Administration of the Department of Commerce.

We have not prepared a formal statement. I have come here to talk to you informally about some of our experiences with administration people overseas.

The international region is a very small segment of the Department of Commerce. We have 41 people stationed overseas in our permanent offices. We do administer 10 assistance missions under funds supplied at this time by the Foreign Operations Administration, so we have the unusual situation of having some of our people—all of whom are recruited from CAA—sitting side by side in certain locations, with entirely different benefits.

We favor very much the enactment of this legislation. Our people in the international field offices are essentially technicians. We represent the fields of operations, maintenance, and radio and electronic communications in aviation. They are all designated as technical advisers to the Department of State head of missions in the countries and areas in which they operate. Their level of operations is a fairly high one. We find that in the absence of representation allowances which will provide them with a reasonable amount to perform necessary entertainment, they separate for that one reason alone.

The leave benefits would provide us with a very fine method of incentive—

Mrs. CHURCH. What is the length of your contract?

Mr. STONE. We have in the international region a policy which is a flexible one. Our minimum tour of duty is 2 years. It can be extended to 4 years.

We feel that with the passage of this legislation which would give us the privilege of bringing those people home to see their parents, grandparents, and bring their children home with them, we would materially increase the efficiency of our administration.

We have many cases on record of people who would be happy to extend if they could just get back to the States and see their families.

We would also like to bring them back to reorient them in the American way. We have an obligation to reorient them technically.

Mr. McCORMACK. A very interesting point.

Mr. STONE. We maintain a technical training school at Oklahoma City. We would like to have incorporated with this leave privilege the transfer of those people for indoctrination in those techniques and in the use of radio aid.

Mrs. CHURCH. Under existing law, could they not be brought back for that purpose at Government expense?

Mr. STONE. No; they cannot.

Mrs. CHURCH. Training?

Mr. STONE. No, ma'am; they cannot.

I have just recently returned—I am just a little bit tired, as a matter of fact. I have just come back from a trip around the world in which I visited all our missions abroad, so I will cite you an example in Paris.

We have an administrative assistant there, a girl formerly stationed in Washington. She has been there almost 2 years now. Her term will be up in September or October. She would gladly extend another 2 years in Paris if we could bring her home and let her visit her parents, who are getting older. Unfortunately, we can't do that. However, I could bring her home and transfer her household effects and send her to Bangkok after 60 days, but it would cost more. It would mean we would lose the continuity of her knowledge of the office. She has studied on her own the French language; handles our office work in France over the telephone, which is a significant factor. She also speaks Polish, which we didn't know about until recently.

I have no way of handling that except by administrative subterfuge, which I do not like to indulge in.

On Mr. McCormack's point that he raised a moment ago, that the family is a little government in itself. We are well aware of that in the international region and we have tried to establish selective procedures within the means available to us of interviews with the wives and their families before we select the man. We know very well indeed how the attitude of the wife and family may affect the performance of our technician. We want them to be a happy family unit.

Mr. McCORMACK. The husband may be the king, but the wife is the queen.

Mr. STONE. That is true.

Since we have instituted these procedures we have had very fine experience with our people.

There is one point on how often we have had to bring people home for compassionate reasons. We have been in business for only about 10 years, with a very limited number of people abroad. During that time there have been only 4 or 5 cases that I can personally recall to mind.

Mrs. CHURCH. Who has paid their expense on that? The individual has paid his own expense?

Mr. STONE. They have paid their own expense.

Mrs. CHURCH. How many cases do you think, Mr. Stone, there might have existed which would have developed into compassionate cases if the Government were pledged to pay their expenses?

Mr. STONE. I think very few. They are so small, we have pretty intimate contact with our people.

Mrs. CHURCH. In those particular cases did the wives stay at home or come back?

Mr. STONE. The wives came back on many occasions.

And speaking to your point, the question as to whether there should be authority to have the wife return, I would think that, speaking for ourselves, it could be either one way or the other. They should both be provided. It may be that the timing of the unpredicted event is such that the wife will elect to remain in the States and the husband may then come home later. They may want to arrange it that way, so I would think if it were an optional sort of thing as to whether the wife came back, that would fit our needs.

Mrs. CHURCH. Mr. Smith, would you like to ask a question about whether that should be done more than once? I do not want to steal your thunder.

Mr. SMITH. No; I just wonder if you need an alternative so it would be discretionary. Would that be your idea?

Mr. STONE. I would think so. I think that would be an equitable way of handling it.

Mr. SMITH. May I ask you this question: In your recommendations, on page 2, line 5, line 19, and line 22, you recommend the addition of the words "as determined by the employing agency," what is your reason for that recommendation?

Mr. STONE. Would you mind calling it again, please?

Mr. SMITH. Line 5, after the word "post," you recommend the addition "designated by the employing agency;" line 19, after the word "control" you recommend "as determined by the employing agency;" and line 22, after the word "interest," the same recommendation, "as determined by the employing agency."

My question is, What are the reasons for the recommended changes?

Mr. STONE. I would ask Mr. Morris, if I may, to reply to it. Mr. Morris is from the General Counsel's Office.

Mr. SMITH. Certainly.

Mr. MORRIS. Well, if they anticipated a return for compassionate reasons, humanitarian reasons, those reasons should be as they are determined by the employing agency and not be left to the determination of the individual, so that the agency involved would make the determination as to whether it was justified in making a return.

Mr. SMITH. Don't you believe it is for clarification purposes?

Mr. STONE. Yes, I think so. I think that is probably the practice that is now used.

Mr. McCORMACK. Well, isn't that implied anyway, an individual—

Mr. MORRIS. I would think so.

Mr. McCORMACK. Just simply to request to come back and get the benefit of this, there would have to be approval; the agency would have to pass on it, it seems to me, by implication.

Mr. SMITH. It seems that way to me.

Mr. McCORMACK. No criticism meant. But wouldn't you say it is there by implication?

Mr. MORRIS. I personally would think there would be no doubt. The agency employing the person would obviously make that determination.

Mr. McCORMACK. Sure.

Mr. SMITH. That is all.

Mrs. CHURCH. Do you have any questions, Mr. McCormack?

Mr. McCORMACK. No further questions.

Mrs. CHURCH. Thank you very much.

Mr. Edwards, from the Department of the Interior.

**STATEMENT OF A. M. EDWARDS, CHIEF COUNSEL, OFFICE OF  
TERRITORIES, DEPARTMENT OF THE INTERIOR**

Mr. EDWARDS. Madam Chairman, my name is A. M. Edwards. I am Chief Counsel of the Office of Territories, Department of the Interior.

I am pleased to appear here before your committee and to express the views of the Department of the Interior with respect to H. R. 179.

As you know, the Department of the Interior is responsible for matters pertaining to the civil administration of the Territories of Alaska, Hawaii, Puerto Rico, the Virgin Islands, the Trust Territory of the Pacific Islands, Guam, American Samoa, and several smaller islands in the Pacific.

The Department has no objection to the enactment of the bill, and since the second and third provisions have been fully covered by the previous testimony I will not go into them.

Mrs. CHURCH. When the Department says it is not—what was your exact phraseology?

Mr. EDWARDS. It has no objection to the enactment of the bill.

Mrs. CHURCH. Is that damning with too faint praise?

Mr. EDWARDS. That is a good question. We are responsible for the economic development of the Territories, and I would like to answer that question by saying that we have no objection to the bill, but that we want to call the attention of the committee to the effects this bill might have upon two of our Territories, that is, Alaska and Hawaii. We feel that the development of Alaska and Hawaii requires that the employees of the various governmental departments that serve in those areas should be, insofar as possible, recruited in Hawaii and Alaska.

The enactment of this bill would, in effect, encourage the employment of stateside employees in Alaska and Hawaii and, therefore, would materially affect the employment of the residents of those two Territories.

Mrs. CHURCH. I wonder if, for the benefit of Mr. McCormack, you would repeat your sentence.

Mr. EDWARDS. Yes.

The Secretary of the Interior has no objection to the enactment of the bill, and the question was asked whether we were damning the bill with faint praise. With respect to Alaska and Hawaii we are raising certain questions for the consideration of the committee, to show the effect that this bill might have upon those two Territories.

Because the Secretary is responsible for the economic development of Alaska and Hawaii, we feel that the people of those Territories should be the ones who are employed by the various Federal agencies in the operation of their programs within those two Territories. By enactment of this bill, we believe that Federal agencies would be en-

couraged to send stateside employees into Alaska and Hawaii. We, therefore, think that enactment of the bill would be detrimental to the employment of personnel living within Alaska and Hawaii.

Mrs. CHURCH. Now, the question of who is employed is in the hands of the Secretary of the Interior, is it not, or his subordinates?

Mr. EDWARDS. Only so far as Interior employees are concerned. The Department of Interior, of course, does not control employment of employees in Defense, or any other department.

We feel that all positions insofar as possible should go to Territorial residents.

Now, the second point is that when most of the——

Mr. McCORMACK. Pardon me.

Isn't that carried out, anyway, in practical operation; isn't that carried out? Now, take the Delegate from Hawaii who said that 90 percent of those employed over there are——

Mr. EDWARDS. Yes; in Hawaii that is generally true. There are in Hawaii a total of 22,585 employees of Federal agencies. The Department of the Interior has only 200 of those, and only 85 of those are from the States, but the other departments have a considerable number in Hawaii.

Mr. McCORMACK. Don't you give preference to employment in the Interior Department for local employment?

Mr. EDWARDS. Yes, sir.

Mr. McCORMACK. So the practical operation, then—your fears are meaningless.

Mr. EDWARDS. As to the Department of Interior, that is true, but Interior has few employees in Hawaii. Still at the same time, the Secretary is responsible for the economic development of Hawaii.

Mr. McCORMACK. I understand that, yes; I am aware of that.

Mr. EDWARDS. We also believe that many people who go to Alaska and Hawaii Territories as Federal employees go there with a view toward making their permanent homes there. In these two areas, therefore, home leave isn't needed as a recruitment device. In other Territories, it is needed to encourage people to accept Federal employment, but not in Alaska and Hawaii.

Mr. McCORMACK. Doesn't this bill cover Hawaii?

Mr. EDWARDS. Yes, it does, but we are suggesting to the committee——

Mr. McCORMACK. I haven't got a meeting of the mind with you yet. That is what I am groping for. I haven't quite clearly gotten your point.

Mr. EDWARDS. We are not in favor of having the bill apply to the Territories of Alaska and Hawaii for three reasons. The first is that we feel that the local people residing in the Territories of Hawaii and Alaska should be employed.

Mr. McCORMACK. Well, they are, aren't they?

Mr. EDWARDS. No. In Alaska there are 10,000, and in Hawaii there are about 5,000 stateside employees.

Mr. McCORMACK. Are they under contracts? How many of them are living out there permanently?

Mr. EDWARDS. I am not in a position to say how many are and how many are not.

Mr. McCORMACK. This bill here has relationship to those under contract. Am I right?

Mr. EDWARDS. I am saying——

Mr. McCORMACK. If I move over to Hawaii with Mrs. McCormack and settle there and I have no contract I don't understand that I have got a job with the Government over there.

Mr. EDWARDS. Did you say you have a contract for 2 years?

Mr. McCORMACK. No. Suppose I don't make a contract. I just go over there. I intend to live over there, and then I get a job, and after a couple of years we change our minds and decide to come back. I have no contract.

Mr. EDWARDS. That is true.

Mr. McCORMACK. I wouldn't come within the purview of the bill?

Mr. EDWARDS. No.

Mr. McCORMACK. So it would not necessarily follow that everyone born in and went from continental America to Alaska or Hawaii would be covered by this particular bill if it became law?

Mr. EDWARDS. No; I am not indicating that would be the result, but from the information that has been given to us, and from the figures that have been presented to the committee, I believe by the gentleman from the Bureau of the Budget, as to the number of stateside employees that are now in Hawaii and in Alaska. I understand there are approximately fifteen to sixteen thousand persons employed in those areas from the States.

Mr. McCORMACK. That doesn't necessarily mean they are all under contract?

Mr. EDWARDS. No; it doesn't.

Mr. McCORMACK. All right. Now, what you are interested in, and I can see it is a very desirable objective, is the colonization, particularly of Alaska?

Mr. EDWARDS. In a sense, that is right.

Mr. McCORMACK. And you want to encourage the people who take a contract never intending to come home to stay up there. You want to use that as a lever to become permanent——

Mr. EDWARDS. No; we think that the people who go up to Alaska want to live and to become part of the Territory.

Mr. McCORMACK. Well, according to your argument, we should strike out any and all laws?

Mr. EDWARDS. Oh, no.

This bill makes it easier for people from the States to go up to Alaska and come back, rather than to settle there. It is also an incentive, especially as to Hawaii, to take a contract for 2 years and then to come back. When stateside people are hired, somebody in Hawaii is cut out of a job.

Mr. McCORMACK. Isn't it fair to assume that any agency that makes a contract, wants to hire somebody abroad, has a need for that person?

Mr. EDWARDS. Yes; that is right.

Mr. McCORMACK. And there is difficulty in getting that individual abroad in the numbers required. For example, after Pearl Harbor everything blew up over there in Hawaii and they had to go around canvassing every navy yard to get men over there to meet the immediate situation; didn't they?

Mr. EDWARDS. That is right.

Mr. McCORMACK. Now, those men went over there because they figured it was in their line of duty, but they still lived in Boston and

elsewhere, and they were going to come back, and a contract was made with them for a certain period of time. Now, you would like to keep those people over there.

Mr. EDWARDS. No.

Mr. McCORMACK. Well, I—

Mr. EDWARDS. What I am saying is that after the emergency of Pearl Harbor has ended and with Alaska on the brink of statehood, we would like to see the people who are employed by Federal agencies be recruited from these areas.

Mr. McCORMACK. I am in thorough agreement with the purposes, but I can't see your method in trying to use this bill to hold people in those places who never intended to live there permanently, who went up there under a contract. Now, if, after they get up there they want to stay there, that is their privilege. If they want to come back, they ought to have the means of coming back, hadn't they?

Mr. EDWARDS. If they intend to stay there and then come back to this country, back to the United States, for a vacation, should it be at Government expense?

Mr. McCORMACK. No; but that isn't what the bill covers. This bill covers a person who goes up there under a contract, who doesn't intend to stay there. Don't you think they ought to be able to come back after they have carried out the terms of the contract?

Mr. EDWARDS. If they carry out the terms of the contract, they are brought back. We are talking about only people who are under contract who then come back here for a vacation. That is all this bill would provide.

Mr. McCORMACK. Are you married?

Mr. EDWARDS. Yes.

Mr. McCORMACK. All right; then I can talk to you.

It isn't a one-way street, is it, in the family life, and it shouldn't be?

Mr. EDWARDS. No.

Mr. McCORMACK. Now, you and your wife go up to Alaska for 2 years on a contract.

Mr. EDWARDS. That is right.

Mr. McCORMACK. When you are up here, it may be the department or the agency you went up there for might want you for 2 years more. You and your wife are coming back, but you still stay on for 2 years more, for many reasons, the principal one of which, I assume—at least that which would actuate me—would be that you are contributing something to Government.

Is that a fair assumption?

Mr. EDWARDS. Certainly. You shouldn't be up there if you are not.

Mr. McCORMACK. Now, you earn 60 days' leave. Don't you think you would like to come back and visit your mother, if she were alive?

Mr. EDWARDS. We are looking at this from the standpoint of the economic development of Alaska. We think, in the first place, the man should be hired up there, instead of offering an incentive to me to go to Alaska to stay 4 years, only to return in 2 years with the Government paying for my leave.

Mrs. CHURCH. You said you had two additional reasons; is that right?

Mr. EDWARDS. Yes.

Mr. McCORMACK. Well——

Mrs. CHURCH. Excuse me.

Mr. McCORMACK. I can see your point for trying to get people to go up there to colonize Alaska, but I can't see your point in connection with this particular bill or the persons who would be covered by this bill. I just can't see that. You are trying to force them to do something against their will. In other words, we will get them up there, and how many families won't have the money to come back?

Mr. EDWARDS. Oh, at the end of the contract they are all brought back.

Mr. McCORMACK. But you would leave them up there.

Mr. EDWARDS. Mr. Congressman, I think you are talking about the individual who comes and goes up there. We are not trying to force anybody to go up there, or, having gone, to stay. What we are trying to do is to get the people residing in the Territories into these jobs. This is the difference.

Mr. McCORMACK. I assume your department and every other department is going to give first preference to anybody up there who is qualified.

Mr. EDWARDS. That is right, but this bill offers a greater incentive for the people in the States to go up there.

Mr. McCORMACK. I assume the Department is going to control that. They are not going to hire people down here. I would assume, to send them abroad if they can hire American citizens abroad who live there and are permanent residents.

Mr. EDWARDS. I am not talking about anybody outside of Alaska and Hawaii.

I would like now to suggest our second objection. Home leave is generally regarded as a recruitment device. We have not experienced in the Department of the Interior any particular problem in recruitment. However, the Bureau of the Budget, in approving our report, states that other agencies do not agree with our position in this respect, but we think it is not necessary from the standpoint of Alaska or Hawaii to have home leave as a recruitment device.

Then the third reason is that this would be a greater encouragement to recruit people from the mainland rather than to recruit in the Territories themselves. It would, therefore, cost the Government considerable money in transportation costs.

Now, those are the points we wish to call to the attention of the committee.

Mrs. CHURCH. Isn't that third point very close to your first point?

Mr. EDWARDS. Yes; it is. It is tied right into it.

Mrs. CHURCH. Have you any questions, Mr. Smith?

Mr. SMITH. Yes; I have one question.

The suggestion, I believe, has been made by the Department of Agriculture, that on page 2, line 12 and line 21, after the words "United States", that the insertion be made "including its Territories and possessions." In other words, if you recruit from either the United States or any of its Territories, you could then get the privileges of this bill. Do you have any comments on that recommended amendment to the bill?

That would give to the people in Hawaii and Alaska the privilege of going to Formosa, Japan, or some other place and then returning to Alaska or Hawaii.

Mr. EDWARDS. Well, if the bill is enacted, it should include those people who might be hired in Alaska or Hawaii to go to some foreign area. They should receive the same benefits and privileges that any citizen of the continental United States receives.

Mr. SMITH. So that you would be in favor of this recommended amendment?

Mr. EDWARDS. Yes; we would have no objection.

Mrs. CHURCH. Mr. Edwards, you have a similar provision for your own employees in the Virgin Islands, have you not?

Mr. EDWARDS. Yes; to the port of entry, and that bill was passed in 1936.

Mrs. CHURCH. Would you comment on the desirability?

Mr. EDWARDS. The distinction as to the Virgin Islands is that we have very few people down there at the present time. In fact, I don't know how many—I would like to have the opportunity to get a statement of the number and submit it to the committee. I am not prepared to say how many Virgin Islands employees have taken home leave during any one year, and I would like to have the privilege of submitting for the record a statement of how many people from the Virgin Islands have availed themselves of this provision to come back on home leave to the closest port of entry.

Mrs. CHURCH. Have you any questions, Mr. McCormack?

Mr. McCORMACK. No.

Mrs. CHURCH. Thank you very much. You will send that information to us?

Mr. EDWARDS. Yes; I will.

Mrs. CHURCH. I would like, if there is no objection, to include in the record at this point the letters of statement which have come from the Departments of Justice and Treasury, and to also anticipate the arrival of a letter from the General Services Administration, which has been promised.

(The letters referred to are as follows:)

DEPARTMENT OF JUSTICE,  
OFFICE OF THE DEPUTY ATTORNEY GENERAL,  
Washington, July 21, 1953.

HON. CLARE E. HOFFMAN,  
*Chairman, Committee on Government Operations,  
House of Representatives, Washington, D. C.*

DEAR MR. CHAIRMAN: This is in response to your request for the views of the Department of Justice concerning the bill (H. R. 179) to amend section 7 of the Administrative Expenses Act of 1946, as amended.

The bill would amend section 7 of the Administration Expenses Act of 1946, as amended (60 Stat. 806; 5 U. S. C. 73b-3), by adding a proviso thereto authorizing the payment of transportation expenses from overseas duty stations to their residence at the time of appointment of an employee and dependents for the purpose of taking leave prior to serving another tour of duty at the same overseas post. The bill would add another proviso to section 7 authorizing the payment of travel and transportation expenses of the immediate family of an employee and shipment of household effects from overseas duty station to place of residence at the time of appointment prior to the return of such employee to the United States when the employee has acquired eligibility for such transportation or when the public interest requires the return of the family for compelling personal reasons of a humanitarian or compassionate nature, involving physical or mental health, death of any member of the immediate family, or obligation imposed by authority or circumstance over which the individual has no control. The bill would add a further proviso to the effect that when an employee returns his family and household goods to the United States at his own expense prior to his return and for other than reasons of public interest, he shall be reimbursed for proper transportation expenses at such time as he acquires eligibility.

Whether the bill should be enacted involves a question of policy concerning which this Department prefers not to make any recommendation.

The Bureau of the Budget has advised that there is no objection to the submission of this report.

Sincerely,

WILLIAM P. ROGERS,  
*Deputy Attorney General.*

TREASURY DEPARTMENT,  
*Washington, July 23, 1953.*

HON. CLARE E. HOFFMAN,  
*Chairman, Committee on Government Operations,  
House of Representatives, Washington, D. C.*

MY DEAR MR. CHAIRMAN: Further reference is made to your letter of February 17, 1953, requesting a statement of this Department's views on H. R. 179, a bill to amend section 7 of the Administrative Expenses Act of 1946, as amended.

The proposed legislation would amend section 7 of the Administrative Expenses Act of 1946, as amended (5 U. S. C. 73b-3), to authorize the payment of travel and transportation of Federal employees and their dependents from their posts of duty outside the continental United States to the places of actual residence at the time of appointment to such posts, in the case of an employee who has satisfactorily completed an agreed period of service overseas and who is returning to his actual place of residence for the purpose of taking leave prior to serving another tour of duty at the same overseas post. It would further authorize the payment of the expenses of transportation of the dependents of such employee and the shipment of his household effects prior to his return to the United States when the employee has acquired eligibility for such transportation or when the public interest requires the return of his dependents for compelling personal reasons. In the event that such employee returns his family and household goods to the United States at his own expense prior to his return and for reasons other than reasons of public interest, the Government shall reimburse him for proper transportation expenses at such time as he acquired eligibility for such transportation.

The proposed legislation would have limited application to this Department since the Treasury has relatively few employees overseas. It would seem that the benefits under the proposed legislation which would accrue to Government employees would be of value to those departments maintaining overseas forces in recruiting competent personnel.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to your committee and that enactment of legislation to achieve the objectives of this bill would be in accord with the program of the President.

Very truly yours,

(Signed) M. B. FOLSOM,  
*Acting Secretary of the Treasury.*

Mrs. CHURCH. Is Mr. Howard E. Munro here?

Mr. MUNRO. Yes, ma'am.

Mrs. CHURCH. Will you identify yourself for the record, Mr. Munro?

**STATEMENT OF HOWARD E. MUNRO, LEGISLATIVE REPRESENTATIVE, THE CENTRAL LABOR UNION AND METAL TRADES COUNCIL, AMERICAN FEDERATION OF LABOR OF THE PANAMA CANAL ZONE**

Mr. MUNRO. Madam Chairman and members of the committee. My name is Howard E. Munro. I am the legislative representative of the Canal Zone Central Labor Union and Metal Trades Council. I am an employee of the Panama Canal Company and have lived in the Canal Zone since May 1943. At present I am on leave without pay from the Panama Canal Company.

The organizations which I represent are the central bodies of 26 unions affiliated with the American Federation of Labor. The membership of these unions are the United States citizens employed by the United States Government to operate, maintain, and protect the Panama Canal.

I appear in support of this legislation as it will apply a practice to Federal employees which has been applied to employees of private enterprise for many years.

Private enterprise which sends United States citizens outside continental United States usually does so with the understanding that at the expiration of a period of time—usually 2 years—they will receive a stateside vacation with all travel expenses paid.

A study made by the management consultant firm of Booz, Allen & Hamilton of 11 United States commercial firms operating in the Canal Zone or Republic of Panama produced these facts regarding their policy of transportation allowance to employees on leave:

Three firms pay all expenses for employee and dependents to and from the home city;

Two firms pay all expenses for employee and dependents to New York City;

Two firms supply free transportation for employee and dependents on company transportation to selected ports;

One firm pays all costs and also all costs are paid for employee and spouse on emergency leave;

One firm supplies free transportation for employees and dependents to United States;

One company supplies free transportation for employee and dependents to United States on company-owned transportation and travel elsewhere on company conveyance at 15 percent of commercial rate.

One firm gave no allowance.

Also the Foreign Operations Administration and the United States Department of State pay the travel cost of the employee and dependents to home city after 2 years overseas plus a per diem allowance.

The oil and copper companies operating in South America employ many United States citizens. To the best of my knowledge, they all supply free transportation to and from the place of recruitment every 2 years for vacation purposes.

The survey previously mentioned was requested by the Senate Civil Function Appropriation Committee in Senate Report 456 of this Congress. Copies of the report were sent the Merchant Marine and Fisheries Committee and Appropriation Committee of the House, and the Armed Services Committee and Appropriations Committee of the Senate, as directed by the Senate report.

I only have one copy of the report. This is what it looks like.

The report is 82 pages with an appendix of 37 pages. It is an independent, comprehensive study of compensation paid the workers on the Canal Zone.

The firm made five recommendations, one of which was:

Provide free transportation to their stateside homes once every 2 years for employees and dependents on leave, and once each year for employees' children in their last 2 years of college in the States.

The following explanation follows this recommendation on Page 71 of the report:

It is recommended that part of a Canal Zone employee's extra compensation consist of free transportation on leave for himself and all dependents who live with him in the zone. Transportation should be provided not more than once every 2 years and should be paid for according to the following procedure:

(1) Establish a home city in the States for each employee. For new employees this should be done at time of employment and should hold thereafter.

(2) Provide free round-trip passage on the ships of the Panama Line for New York or by ship or by air to New Orleans or San Francisco. Pay minimum rates on transportation other than the Panama Line. Employees should bear excess cost over minimum.

(3) Pay \$10, each way, for employee and for each dependent while making the trip to cover miscellaneous charges.

(4) Provide free transportation, each way, for employee's automobile, if taken.

(5) Pay mileage rates as established by Government regulations for round trip from port of entry to employee's home city if automobile is taken. Pay minimum round-trip railroad or airline travel from port of entry to employee's home city if automobile not taken.

It is further recommended that the free round-trip transportation be provided to such children of employees as go to college in the States. Since the first 2 years of college can be completed in the zone, this provision should cover only the third and fourth years.

The procedure for arriving at the amount to be paid should be that just described, except that the locus of the college should substitute for that of the home city and no provision should be made for transporting an automobile.

The effect of the first of the foregoing recommendations will be to reimburse employees for the \$285 annual additional cost of taking a biannual vacation which is a condition of working in the zone.

The effect of the second recommendation will be to reimburse employees for about 35 percent of the estimated additional cost of sending a child to college in the States for 2 years. This cost is also a condition of working in the zone. The difference of 65 percent is largely in tuition, which is frequently higher for nonresidents than for residents. However, since the option exists of sending the child to a school which charges the same tuition for nonresidents as for residents, no extra compensation to cover tuition is recommended. The total amount of extra compensation involved will approximate \$280 per child.

Ten out of the eleven private companies and two out of the five Federal agencies surveyed follow practices similar to those recommended.

As an inducement to employees to take and keep zone jobs, this feature of extra compensation ranks high according to questionnaire returns and home interviews.

Page 34 of the report has this to say about the connected cost of vacation:

When the zone employee takes a vacation, he has all of the expenses of his stateside counterpart, plus the cost of a round trip for himself, his family, and his car. For a family of 3 taking a stateside vacation every 2 years, this extra cost amounts to about \$285 which has to be set aside annually.

It appears that the intent of H. R. 179 will satisfy this recommendation. However, there is the question of those employees who were recruited in the United States prior to the enactment of the Administrative Expenses Act of 1946. These employees do not have a transportation contract, but were employed under general conditions of employment which specified the procedure followed for transportation matters. I respectfully request that H. R. 179 be amended to include such employees so that the application will be uniform for all United States citizens recruited in the United States for overseas purposes.

I will be glad to supply the committee staff with the data and assist them in obtaining this objective.

In regard to one of Mr. McCormack's questions about moving to a territory and living there, the Canal Zone is different from Alaska, Hawaii, and the other possessions.

Mr. McCORMACK. I expressed no opinion on it. I was interrogating a witness on his view. That is what I was doing.

Mr. MUNRO. I would like to point out, if I may, the difference——

Mr. McCORMACK. That is all right; as long as you have the record right in relation to my interrogation of the witness on his testimony, you can go ahead and comment on his testimony.

Mr. MUNRO. In the Canal Zone there is no other employment except Government employment, and a very few employees who work for industry, affected with the operation of the Canal, such as the banks, and a few oil companies. Everything else is excluded by treaty with Panama. No one can live in the Canal Zone unless they are working for the Federal Government or one of the few industrial concerns. The amount of industrial employees in the Canal Zone would total less than 50.

I wanted to bring that out because there is a difference between the Canal Zone and the other possessions.

Mrs. CHURCH. I am interested in which two branches of the Federal Government gives substantially the benefits described. I understand there are two agencies.

Mr. MUNRO. The Booz, Allen & Hamilton report stated that the State Department and the Foreign Operations Administration——

Mrs. CHURCH. Send children home to college with expenses?

Mr. MUNRO. That is what their statement points out, on the Canal Zone.

I only quoted from the report.

Mrs. CHURCH. Yes.

I also wondered if you had anything of record as to the stability of employment in the one private firm that has no fringe benefits.

Mr. MUNRO. No, ma'am; I do not know which firm it was. The management consultant firm just identified them as 1, 2, 3, 4.

Mrs. CHURCH. Mr. McCormack, do you have any questions?

Mr. McCORMACK. No.

Mrs. CHURCH. Mr. Smith.

Mr. SMITH. No questions.

Mrs. CHURCH. Thank you very much indeed.

Mr. McCORMACK. I am sorry I have to go, but if there are any other witnesses, I will read their testimony very carefully.

Mrs. CHURCH. Will you please identify in the record the books you have with you?

Mr. MUNRO. I can't leave them.

Mrs. CHURCH. No; but if you will give the titles, identify them, so that we can refer to them——

Mr. SMITH. Identify them for the stenographer.

Mr. MUNRO. It is the Study of Extra Compensation, Panama Canal Company, Balboa, Canal Zone, made by the management consultant firm of Booz, Allen & Hamilton.

Mrs. CHURCH. Thank you.

Mr. MUNRO. Copies are in the Armed Services Committee of the Senate, the Appropriations Committee on the Senate side and the House side, and the Merchant Marine and Fisheries Committee on the House side.

Both Mr. Riley and Mr. Walters were unable to stay, and they asked me to present their statements for the record.

Mrs. CHURCH. I hope you will give our apologies to both of them because the meeting continued so long. Their statements will be entered in the record.

(The statements referred to are as follows:)

STATEMENT OF THOMAS G. WALTERS, OPERATIONS DIRECTOR, GOVERNMENT  
EMPLOYEES COUNCIL, AMERICAN FEDERATION OF LABOR

Mr. Chairman and members of the committee, by way of introduction, my name is Thomas G. Walters, operation director of the Government Employees Council of the American Federation of Labor, 100 Indiana Avenue NW., Washington, D. C., phone Executive 3-2821.

The Government Employees Council of the American Federation of Labor is made up of 23 national and international unions whose membership, in whole or in part, are civil-service employees. The total Federal employee membership of the Government Employees Council is more than 500,000 members.

The Government Employees Council desires to express our thanks and appreciation for the hearings being held on H. R. 179 and we are happy to appear and testify in support of this legislation. Mr. Howard E. Munro, legislative representative for the Metal Trades Council and Central Labor Union of the Panama Canal Zone, will appear and testify in detail on the merits of this legislation. Mr. Munro is familiar with all of the provisions and ramifications of H. R. 179 and can in my opinion answer the questions relative to H. R. 179.

This legislation is needed to make it legal to carry out the intent of Congress and the agency heads charged with the responsibility of carrying out the intent of what was understood to be the law and regulations.

Mr. Chairman and members of the committee, on behalf of the Government Employees Council of the American Federation of Labor, I most earnestly urge that the provisions and the intent of H. R. 179 be approved, and that this committee recommend to the House of Representatives the early passage of this legislation.

Thanking you for the opportunity and privilege to appear today in support of H. R. 179.

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STATEMENT OF GEORGE D. RILEY, MEMBER, NATIONAL LEGISLATIVE COMMITTEE,  
AMERICAN FEDERATION OF LABOR

My name is George D. Riley, member, national legislative committee of the American Federation of Labor.

I am here in support of the purposes of H. R. 179, a bill to amend section 7 of the Administrative Expense Act of 1946 as amended.

The American Federation of Labor also supports the position taken by the Central Labor Union, the Metal Trades Council (AFL) and the Panama Canal Zone, represented by Howard E. Munro, who also is appearing in support of the legislation as it applies to Federal employees.

Because Mr. Munro has prepared a comprehensive discussion of the needs of those whom he represents, I believe it is sufficient to confine my remarks within brief limits and to say that we support completely the bill as he has offered it.

Mrs. CHURCH. Mr. McCart.

STATEMENT OF JOHN A. MCCART, LEGISLATIVE REPRESENTATIVE  
OF THE AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

Mr. McCart. Madam Chairman, for purposes of the record, I am John A. McCart, legislative representative of the American Federation of Government Employees.

I appear here today to express our support of H. R. 179 and inasmuch as the purpose of the bill has been very clearly explained by the various witnesses for the departments, and inasmuch as there is a

meeting of minds among the various departments concerning the technical amendments required, I do not think it necessary to comment on those.

I would like, Madam Chairman, to submit our statement for the record and to make 1 or 2 very brief comments in that connection. (The statement referred to is as follows:)

STATEMENT OF JOHN A. MCCART, LEGISLATIVE REPRESENTATIVE OF THE AMERICAN  
FEDERATION OF GOVERNMENT EMPLOYEES

Mr. Chairman and members of the committee, I am John A. McCart, legislative representative of the American Federation of Government Employees. Our federation numbers among its members Federal employees stationed in Alaska, Hawaii, the Panama Canal Zone and various foreign countries.

The AFGE appears this morning to express its approval of the provisions of H. R. 179.

This bill amends the Administrative Expenses Act of 1946, which in part provides travel expenses of new employees, transportation of their families, household goods, and personal effects when these employees are recruited for assignment outside the United States. The first proviso of the bill would permit agencies to pay for the travel and transportation expenses of the employee and his dependents when the employee has finished a period of service overseas required by contract and desires to return to his former residence in the United States prior to accepting another tour of duty at the same overseas post under the new contract. Our federation feels this benefit to the employees and their families is completely justified, particularly in view of the employees' agreement to return to their overseas posts of duty following a suitable vacation.

Recruitment for overseas positions has been a source of difficulty for Federal agencies in the past. In order to attract qualified employees to these assignments and to maintain the employee's family ties, the Federal Government has provided certain considerations. We feel that an employee should be able to take his family with him when returning to the States prior to serving another tour of duty without incurring the heavy financial outlay involved.

The second proviso of H. R. 179 authorizes agencies to incur expenses of transportation for the immediate family and the shipment of household goods when his dependents must return to the United States because of emergency conditions over which the employee has no control. It is not improbable that there are instances where climatic conditions adversely affect the health of an overseas employee's wife or children. In such instances, the Federal Government should be authorized to reimburse the employee for returning his family to the States without imposing upon him an unwarranted financial burden.

The same reasoning can be applied to mental illnesses or other circumstances which would serve as a hazard to the family relationship if the dependents were to remain with the employee outside the United States.

The final benefit recommended in H. R. 179 is a reimbursement to the employee when he returns his immediate family and household effects to the States at his own expense. Agencies would be able to repay the employee for this financial outlay only after he himself has acquired eligibility for transportation expenses at the completion of the required tour of duty.

This provision in H. R. 179 would prove equitable to the employee because it was his understanding at the time the agreement was made that transportation expenses for his family would be paid if he followed the terms of his contract as an individual. No financial risk to the agency is involved in this section of the bill, since the agency would not assume an additional financial obligation until the employee meets all the terms of his agreement.

H. R. 179 amends a section of the Administrative Expenses Act of 1946, which applies only to those appointees who "agree in writing to remain in the Government service for the 12 months" following their appointment. Prior to enactment of the 1946 statute, many employees were recruited for duty overseas without the execution of a contractual agreement. Our federation recommends that language be inserted in H. R. 179 permitting agencies to apply the provisions of the bill to these employees, as well as those who have entered into actual agreements.

With this slight modification, Mr. Chairman, we feel certain H. R. 179 will prove highly beneficial to the Federal Government as a recruitment incentive as well as to the employees and their families.

After due consideration, I am confident the committee will see fit to act favorably on this legislation.

On behalf of all our members who will be affected by H. R. 179 our federation desires to express its deep appreciation for the opportunity of commenting on the measure.

Mr. McCART. First, our federation echoes the position adopted by the previous witness concerning the status of the Panama Canal Zone in regard to the bill.

Secondly, I am constrained to urge vigorously that Alaska and Hawaii not be excepted from the bill, for two reasons: First, the stated policy of the Federal Government is to provide employment to those people residing in the Territories who are citizens whenever that can be done and, in keeping with that, as has been expressed here by witnesses, the number of people recruited stateside has been kept at a minimum. If that policy is continued, I see no reason why there should be any difficulty with this bill as a recruitment device for bringing more people from stateside to the Territories in question.

The second point is that failure to include Hawaii and Alaska would do a great disservice to the employees who are already there on a contract basis.

Regardless of whether the recruitment question raised by one of the previous witnesses would occur, the fact is there are employees who have gone to those Territories under contractual agreements and they should certainly receive the benefits envisioned by the bill.

I have been impressed by the testimony presented by the Department of Defense, the General Accounting Office, and the Bureau of the Budget that monetary savings would result to the Federal Government with the enactment of H. R. 179 and, with the appropriate amendments that will be decided upon by the committee, we heartily urge its early enactment.

Mrs. CHURCH. Thank you very much.

Have you any other comments to make informally?

Mr. McCART. No, ma'am.

Mrs. CHURCH. I would like you to comment, if you would, on the question that came to my mind a little while ago as to the relative worth of providing one-way shipment home for members of a family in case of emergency without any provision for getting them back again.

Mr. McCART. Well, I am sure——

Mrs. CHURCH. I don't want to make a mountain out of a molehill, but it intrigues me.

Mr. McCART. Madam Chairman, in our testimony we attempted to emphasize the necessity for maintaining family ties. I think that is one of the most important factors in this entire question of employees working overseas. We are taking them out of the ordinary environment they would enjoy here in the States. We are subjecting their families to conditions that they would not normally face here in this country and if an emergency situation develops requiring the return home of the family of an employee overseas, it would certainly be in keeping with the entire history of this type of legislation to make provision for having that family get together again once the emergency has passed; and from the standpoint of the family relationship alone, I certainly feel that provision should be made, after the dependents have gone back to the States and the emergency has

passed, for them to return again to the head of the household in a foreign country.

Mrs. CHURCH. Now, Mr. Smith might say, "More than once?"

When you give a privilege like that, any privilege is subject to abuse.

Mr. McCART. Yes. Actually, Madam Chairman, it seems that it would be rather rare when such occurrences would take place, where there would be the necessity of doing it more than once, and certainly I feel sure, with the discretion that has been exercised by the departments heretofore in this question, there is guaranty there won't be any serious abuses of that.

Mrs. CHURCH. Is there any record any place of how many people have come home under such compassionate circumstances?

Mr. McCART. Not to my knowledge, Madam Chairman.

Mrs. CHURCH. What would be your judgment on whether a man employed at the average rate of employment could afford to bring his family back if sent over by the Government?

Mr. McCART. Even with the allowances that are provided under some contracts, Madam Chairman—you take the employee in the GS-4, 5, 8, 9 grades—it would be extremely difficult for them to afford the expensive travel rates and the other incidental expenses.

I might add, just as a matter of comment, that you are aware our organization is very much concerned about the problem of pay for Federal employees.

Mrs. CHURCH. We have heard something of that.

Mr. McCART. And, of course, my answer obviously would be they wouldn't be able to incur the expense that would normally be required for that type of trip back home.

Mrs. CHURCH. I would gather, Mr. Smith, that when the bill was written the situation that was in mind was one of an emergency of early return home.

Mr. SMITH. That is my understanding.

Mrs. CHURCH. In other words, if somebody wanted to go home ahead of the others.

Mr. SMITH. Yes.

Mrs. CHURCH. However, the way it is now written I think they might go home for compassionate reasons and stay.

Mr. SMITH. Yes.

Mrs. CHURCH. This concludes the list of witnesses.

Is there anyone else present who wishes to make a statement?

Mr. SMITH. I would like to have inserted in the record 3 statements, 1 from Congressman Bennett, 1 from Mr. Steward of the National Federation Employees, and 1 from Mr. Milne of the International Brotherhood of Electrical Workers, A. F. of L., if that is possible.

Mrs. CHURCH. Without objection, they will be introduced at this point in the record.

(The statements referred to are as follows:)

STATEMENT OF J. SCOTT MILNE, INTERNATIONAL PRESIDENT, INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AMERICAN FEDERATION OF LABOR

Mr. Chairman and members of the House Committee on Government Operations, my name is J. Scott Milne. I am international president of the International Brotherhood of Electrical Workers, affiliated with the American Federation of Labor, with headquarters located at 1200 15th Street NW, Washington 5, D. C.

The organization which I represent is international in scope with over one-half million members in 48 States, Alaska, Hawaii, Panama Canal Zone, and the Dominion of Canada. These members are employed in the building and construction trades, electrical utilities, in the metal trades, various other industries, and by the various and numerous agencies of the United States Government. Our members employed in overseas positions by the Federal Government are vitally interested in such legislation as is contained in H. R. 179 as introduced by Congressman Rivers. My organization wants to take this opportunity to thank the Congressman for the concern he has shown in these matters of considerable concern to our overseas members, and I take this opportunity to endorse the intent of the provisions contained in H. R. 179. However, in order that the hearings on this bill might continue without too much delay, I will only attempt to make a brief comment on the provisions of the bill, namely:

1. Transportation to and from the United States for vacation purposes is a costly item. In many cases an overseas employee must spend more for the single item of transportation than does his counterpart in the United States spend for his entire vacation. This often times results in either of two things, both costly to the Federal Government: (a) When the employee realizes the vacation expenses, he does not return to his overseas post, with the result a new employee must be recruited or (b) because of the expense he does not take a vacation in the United States, thereby losing contact with the new materials and methods being developed within his trade.

2. Private industry has learned the value of furnishing free transportation to the United States for their overseas employees many years ago. This legislation will bring the Federal Government in line with private industry in this matter.

3. Overseas employment has many problems not encountered in stateside employment. Some employees or their dependents cannot adjust themselves to such exacting living conditions. The result is a breakdown of physical or mental health. In fairness to the employee and the service, such employees should be returned to the United States at the beginning of such condition and not wait until the tour of duty is completed. Irreparable damage can happen by waiting until the completion of the tour of duty.

4. The Federal Government agrees to pay certain transportation charges when an employee is hired. The cost of the return of the employee's family is the same for the duration of the employee's tour of duty. Therefore, if the employee fulfills his obligation to the Federal Government, the return transportation should be paid regardless of when spent. In some cases it would be cheaper to the Federal Government to return the family before the end of the tour of duty. When the family becomes dissatisfied in an overseas position, the dissatisfaction spreads rapidly. A disgruntled, fault-finding workman soon becomes an inefficient workman.

The membership of our organization on the Canal Zone have a special problem. The legislative representative of the Canal Zone Central Labor Union-Metal Trades Council, AFL, Mr. Howard E. Munro, will appear before the committee to supply you with firsthand information. I am familiar with this problem and endorse the recommendations made by him.

I appreciate the opportunity of submitting this statement on H. R. 179 for your consideration. I thank you one and all, sincerely.

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STATEMENT OF LUTHER C. STEWARD, PRESIDENT, NATIONAL FEDERATION OF  
FEDERAL EMPLOYEES

H. R. 179, amending section 7 of the Administrative Expenses Act of 1946, as amended, proposes to ameliorate a condition which at the present time, under existing law, works a very serious hardship on civilian employees stationed outside continental United States.

At the present time employees, notwithstanding the fact that they have satisfactorily lived up to their initial agreement for service abroad, are, nevertheless, being penalized by being forced to bear the expense of transportation and shipment of household effects in instances where the condition was imposed by authority or brought about by circumstances over which the individual employee had no control.

The present situation not only works a hardship on employees but increases the difficulty of recruiting and retaining in overseas positions qualified personnel.

We feel that the enactment of H. R. 179 is not only a sound proposal from an administrative standpoint but is needed in order to deal fairly with the employees concerned, and we urge its early and favorable consideration.

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STATEMENT OF HON. CHARLES E. BENNETT, A REPRESENTATIVE IN CONGRESS FROM  
THE STATE OF FLORIDA

I deeply appreciate this opportunity of making a statement in behalf of the provisions of H. R. 179. The language of the bill is technical in nature and I am not an authority on its exact language. However, as I understand the purpose of the legislation, it would reinstate the privilege previously enjoyed by persons serving the United States Government in foreign locations when they were allowed to return to their homes in the United States at the end of their first period of service and were thereafter returned to their jobs overseas without expense to themselves. The constituents who have written me about this legislation have maintained that the Comptroller General has ruled that this previously described procedure has now been abolished so that renewal employment agreements are prohibited and employees must receive a complete separation in every sense of the word before they can receive the benefits of a completed period of obligated service and the benefits which formerly accrued. I am told that this new procedure will actually cost the Government additional sums of money because employees' household effects would have to be shipped back to the United States and then be reshipped to the overseas activities and because of other incidentals which flow from the changed situation. If your committee should find that these facts are as they have been presented to me and as I have reported them from the correspondence of constituents, it would seem to me to be a worthy thing to do to enact legislation to correct this situation and allow the benefits as they were previously allowed. I understand that H. R. 179 would accomplish this objective.

Mrs. CHURCH. If there is nothing further, the meeting is adjourned.  
(Whereupon, at 1:39 p. m., the hearing was adjourned.)



# A BILL TO AMEND SECTION 7 OF THE ADMINISTRATIVE EXPENSES ACT OF 1946, AS AMENDED

FRIDAY, MAY 14, 1954

UNITED STATES HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON EXECUTIVE AND  
LEGISLATIVE REORGANIZATION,  
COMMITTEE ON GOVERNMENT OPERATIONS,  
*Washington, D. C.*

The subcommittee met, pursuant to call, at 10:10 a. m. in room 1501, New House Office Building, Hon. Marguerite Stitt Church (chairman of the subcommittee) presiding.

Present: Representative Marguerite Stitt Church (acting chairman of the subcommittee), Clare E. Hoffman, Clarence J. Brown, John W. McCormack, and Jack B. Brooks.

Also present: Helen M. Boyer, staff director, and Clyde W. Smith, counsel.

Mrs. CHURCH. The meeting will come to order.

We have present with us today Mr. Bartlett, the Delegate from Alaska.

Will you proceed, please, Mr. Bartlett.

## STATEMENT OF HON. E. L. BARTLETT, A DELEGATE IN CONGRESS FROM THE TERRITORY OF ALASKA

Mr. BARTLETT. Thank you, Mrs. Church.

My name is E. L. Bartlett, Delegate in Congress from Alaska.

I have read several of the statements submitted in your previous meeting in connection with H. R. 179. By doing so I know that there is no need for me to submit a voluminous statement here, because the issues have been well defined.

I should like to endorse H. R. 179. It appears to me that this is desirable legislation and would make good law.

I have for a few minutes before you called the committee to order been reading the testimony taken on April 30 in connection with this bill. I have noted that at the time a witness from the Department of the Interior appeared before the committee and expressed some apprehension over the possible effects of the bill in Alaska and Hawaii in case it became law. I have not had time to read all of the testimony pertaining to that subject, but enough, I believe, to get the point that the Interior Department representation was that application of this bill to Alaska and Hawaii might have the effect of curbing local employment of persons within those Territories who work for the Federal Government.

I appreciate sincerely the interest of the Department of the Interior in guarding the rights of local persons in connection with employment

with the Federal Government if the word "rights" is the proper one to use in that connection. In any event, I applaud the Department of the Interior for its interest in seeing to it that it, as the most responsible Department of the Government concerned with the Territories, shall do everything possible to benefit local employment.

However, I cannot entertain the view expressed by the Department of the Interior that this legislation would have any adverse effect on that situation. I simply cannot see it.

I think that those who do go to the Territories to work, from the mainland, should have the right which would be given them in this bill to come back to the States occasionally at the expense of the Government. I think it is good for the Government as well as the individuals concerned.

Mrs. CHURCH. Mr. Bartlett, it was my understanding that the Department of the Interior had another objection, namely, that this bill would not lead people to stay permanently in those sections such as Alaska or Hawaii, where the Department thought it might be valuable to build up such strength. Will you comment on that?

Mr. BARTLETT. Well, I cannot see how the bill would have that effect. The reasoning behind that rather escapes me.

Mrs. CHURCH. I think the reason was by keeping their minds always pointed toward home it would lead to the desire not to settle permanently in the area in which they were working.

Mr. BARTLETT. I think when a person goes to work for the Federal Government, wherever it might be, this is the situation which tends to arise. For example, in Alaska we have many persons within the Federal establishment who have come there long years ago and who have worked for the Federal Government. At the conclusion of their working careers some of those people will stay on and continue to make their homes in Alaska. Others will return to the States.

I suspect that that is a situation identical with that which we find elsewhere. Some of the people will go to California, and others will go to Florida, or wherever it may be.

I suggest that the same thing happens when a Federal employee retires in South Dakota, or Chicago, or Massachusetts. He may stay in the place where he has made his home or go somewhere else.

Mrs. CHURCH. You would not feel any failure to permit him to go home such as occurs now, through inability to pay his way, or return because his way is not paid back, would endear him any more to the section?

Mr. BARTLETT. No. But I have taken this attitude, that is, when a person is far away from home it is good to get back once in a while. Most of our people in Alaska today come from the 48 States. They are migrating people, as people of all the United States are. It is good for them and their personal lives and good for work habits, I should think, to get away from it all occasionally. No one wants to stay in Washington, D. C., year in and year out without getting away. And so it is in Hawaii and Alaska.

Mrs. CHURCH. Mr. Bartlett, this bill really can be broken down I think in two ways. It attempts first of all to permit a man to come home on ordinary leave. There is another clause dealing with the shipment of his household effects, and with permission to his family to come back, particularly in emergency for the family.

Have you any comment on that?

Mr. BARTLETT. I am in favor of that, Mrs. Church. I am confining my testimony pretty much, for obvious reasons, to the points raised by the Department of the Interior.

The situation now is in Alaska, I know, that the requirements for Federal employment are such that they cannot be met locally 100 percent, or anywhere close to it. People have to be recruited from the States. I simply fail to follow the argument, and maybe I am being very dense, that the application of the provisions of this bill to the Alaska situation would be detrimental to the employment of Alaska labor, or would cause the people within the area not to want to make their residence there.

Of course, in that connection, Mrs. Church, we have another situation which ties in in a certain way. We have a cost-of-living allowance paid to Federal employees within Alaska and Hawaii also, and in Puerto Rico.

Mrs. CHURCH. May I interrupt, Mr. Bartlett? Is that cost-of-living allowance based merely on a higher cost of living, or is it meant to offset the cost of transportation?

Mr. BARTLETT. No. It is based on higher cost of living. The transportation charges for commodities, of course, affect that cost of living.

In Alaska that cost-of-living allowance is 25 percent higher. It gives the employee a 25 percent so-called differential. Now, the last time the cost-of-living survey was made at Anchorage, for example, it was discovered that the cost of living was 41 percent higher than in the District of Columbia. At Fairbanks it was 48 percent higher.

So the cost-of-living allowance obviously did not meet the added cost to which the employee was subjected in Alaska.

At various times throughout the last few years efforts have been made in Congress to restrict payment of that allowance to persons recruited from the States, and to deny that allowance to the person locally hired. It has not been effectuated yet in respect to civilian personnel, but has been in respect to, the Alaskan boys drafted into the armed services. They do not receive certain foreign-duty allowances which go to boys recruited from elsewhere and sent to Alaska.

The situation which would arise in the civilian field if that were ever to be made a matter of legislation would be that a girl who happened to have been born in Anchorage, and who worked for the Federal Government there, would have to do so without receiving the cost-of-living allowance, while a girl from New York, for example, who worked at the next desk, would get the 25 percent additional.

For some reason some people have thought, and I have not been able to calculate why, that the Anchorage girl would be able to live cheaper in Anchorage than the New York girl, although official estimates as last made show the cost of living there for one person as well as another to be 41 percent higher than the District of Columbia's cost of living.

The reason why I mention that, Mrs. Church, is I think it ties in to a certain extent with this very situation. That is, there is a great reluctance now, and a very understandable one, for persons who have come to a Territory, whether it be Alaska or Hawaii, to identify themselves on the record as residents of that Territory. No matter

how badly they might want to do so. They might have gone to Juneau, for example, and fallen in love with the country and have wanted to become Alaskans as a matter of record as well as in spirit. But they are not going to do anything if they are wise, in my judgment, to shift their legal residence from their State of origin to Alaska because the next Congress, for all they know, might finally put through a provision denying the Alaskans this cost of living allowance.

So the whole effect of that has been to be hurtful to the addition of new legal residents to the Territory.

Mrs. CHURCH. Mr. Bartlett, you speak about the next Congress. I understood you to say the provision now exists whereby there is no increase in living allowances?

Mr. BARTLETT. No. If so, I misstated myself, Mrs. Church.

Efforts have been made each year, except this year, for the last several years, to deny the cost of living allowance to civilian employees working in the territory of their residence. Those efforts have not yet succeeded.

Mrs. CHURCH. They have never succeeded?

Mr. BARTLETT. No. But they have been renewed annually. Last year, for example, in the Department of Defense appropriation bill there was such a provision. It was stricken from the bill but left in that section was the one to which I alluded, dealing with military people only. So we have that very measurable handicap now to gaining new legal residents, because if they work for the Federal Government they don't want to shift their place of residence.

I honestly do not think, Mrs. Church, that the application of this bill to the Territories would have the adverse effect feared by the Department of the Interior. I applaud them for the concern, but I think that it is sort of a vague and uncertain concern, and if carried into effect by striking Alaska and Hawaii, for example, from the provisions of this bill if it should be enacted, it would tend to be generally harmful, and the situation which caused the Department of the Interior to appear before you is not in my belief sufficiently dangerous to deny the Federal workers there the rights that would be conferred on them by this bill.

Mrs. CHURCH. One of the Members of Congress in discussing the bill the other day mentioned the facts that he thought it obviously unfair to make a special provision for transportation expenses to Hawaii and Alaska if they became States. He pointed out, infact, that if you lived on the west coast and were being transferred to Alaska or Hawaii, that the expense involved would not be greater than getting from the southern tip of Florida, let us say, to Seattle.

Mr. BARTLETT. That may well be, Mrs. Church. I think the whole pattern of the Federal relationship will alter when statehood comes. I have no doubt about that at all.

When I go to answer something like that I find myself in this curious position. I cannot avoid arguing at this time for deserved benefits for the people of Alaska which may or may not be theirs when statehood comes. But the fact is that statehood is not here and we are treating with a reality, and that is territorial status.

I would tell you, Mrs. Church, out of a sincere belief that with the advent of statehood our population increase, which is very worthwhile now, will come at such a rapid rate that our transportation charges

will be lowered. There will be backhauls, and that sort of thing. The very high cost of living to which we are presently subjected will go down, and I believe as well as hope that.

Mrs. CHURCH. Did you have any questions, Mr. Smith?

Mr. SMITH. No, Mrs. Church. Thank you.

Mrs. CHURCH. We are very grateful to you, Mr. Bartlett. There is one other problem. I raised the question during the last hearing as to the wisdom of paying for the transportation home for families in times of emergency if no provision were made to get them back. I am not necessarily ready to argue that we should indiscriminately pay the fare home and return, but to me it is an anomalous situation when you send a family home.

Let us say an emergency arises a month after the family arrives. Does that mean for 23 months that family should stay there?

My question is, have you helped them?

Mr. BARTLETT. That is a real question. I can tell you have given much more thought to that part of this than I have. I just do not have an answer to that, Mrs. Church.

Mrs. CHURCH. I feel more than reasonably sure that the House would never accept a blanket provision that in an emergency a family can be given a round-trip ticket home. From the humanitarian point of view it might be possible, but from the standpoint of possibility of abuse and expense it does not seem too wise to do it that way.

Mr. BARTLETT. Of course, we have to be careful nothing is written into legislation which might appear to be extreme. Secondly, we have to expect that the administrative agencies which would be in charge of administering such a law would use discretion and would not be frivolous with public funds in carrying out the provisions of the law. You are naturally going to have to repose great faith in the executive department of the Government that there is not going to be a constant succession of abuses.

Mrs. CHURCH. Even without intentional abuse, there might be much more use of this provision than is anticipated from the records of the numbers who have made requests in the past.

Maybe I am dealing more with the frailty of human nature. I happen to know from my own personal experience that an emergency might not seem so great to me if I balanced it against the cost to the family of paying my own way home. But if there were in the law a provision that I could be sent home, I would be inclined to ask for that permission.

Mr. BARTLETT. Of course. I think that follows as a consequence of the frailties of human nature. I recall myself I always found when I worked for the Government myself a ways back that it was much easier to travel with a T/R than with your personal checks. It is bound to be.

Mrs. CHURCH. If a committee amendment were introduced—and I am not indicating necessarily that it will be—but if a committee amendment were introduced to limit the provisions of the bill to providing the expenses at the time of leave, would you consider that acceptable, Mr. Bartlett?

Mr. BARTLETT. I should think so. I don't want to put myself in the position, Mrs. Church, of attempting to qualify as even a quarter of an expert in the technical provisions of this bill. I applaud in a general way its intent, but my principal purpose in coming before you

was to express the hope that Alaska and Hawaii would be included in whatever provisions the committee saw fit to adopt if the bill is reported out. Because in reading this testimony just before the hearing started I noticed that the distinguished gentleman from Massachusetts took somewhat the same position in his questioning as I am now—one which did not find him in complete agreement with the apprehensions of the Department of the Interior in connection with the applications of the bill in all of its features to those two Territories.

Mrs. CHURCH. Have you any questions, Mr. McCormack?

Mr. McCORMACK. No; I have my mind pretty well established on that particular aspect. I thoroughly respect the testimony of the representative of the Department of the Interior, but he impressed me that they were more concerned with permanent settlement, which is another and very desirable objective, but another field entirely, it seemed to me.

Mr. BARTLETT. Yes; and I do not feel, as I explained to Mrs. Church, that this bill will have painful effects on settlement within Alaska that the Department of the Interior feels may occur; although, as I said, I appreciate very much the alertness of the Department in informing the committee of its views on that, because the Department of the Interior, just as I am, is aiming at the permanent settlement of Alaska on a respectable scale at the earliest time.

Mrs. CHURCH. Mr. McCormack, Mr. Bartlett did introduce in colloquy with me the question of the effect of statehood if it were granted on the question of transportation. I think I am correct in saying that I introduced the question of whether, if Alaska became a State, there would be any more right for transportation to be paid there than for a worker leaving the southern tip of Florida and going to Seattle.

I am not sure it is a complication, but at least it is something to be alert to, I think.

Mr. McCORMACK. Of course, if Alaska becomes a State there are going to be many changes in status, I assume. Of course, Alaska is perfectly willing to assume all of the responsibilities of statehood, as well as the benefits.

Mr. BARTLETT. We have repeatedly said that, and we haven't even gulped when we said it.

Mrs. CHURCH. Thank you, Mr. Bartlett.

Is there someone here to testify from the General Services Administration, Mr. Smith, or have you a statement?

Mr. SMITH. Not that I know of. They sent no statement or witness.

Mrs. CHURCH. Did they answer the letter at all?

Mr. SMITH. There is no answer to the letter that I know of.

Mrs. CHURCH. It is rather amazing, because Mr. Mansure personally asked to be notified of the hearing.

Off the record.

Mrs. CHURCH. I would like to include in the record certain letters which have come from organizations, one from the Personnel Supervisors and Representatives Association, Pearl Harbor Naval Shipyard. They have written several letters, and I feel any one might be included.

Also a letter from the National Association of Naval Technical Supervisors and the American Federation of Technical Engineers; a telegram from Guam No. 23, National Association of Supervisors, Department of Defense, and a petition from local No. 1019, National

Federation of Federal Employees, and other affiliated employees of Alaska.

THE 14TH NAVAL DISTRICT,  
PERSONNEL SUPERVISORS & REPRESENTATIVES ASSOCIATION,  
*Pearl Harbor Naval Shipyard, April 19, 1954.*

HON. MARGUERITE STITT CHURCH,  
*House of Representatives, Washington, D. C.*

DEAR MRS. CHURCH: As a Federal employee in the 14th Naval District, but a resident of the State of Illinois, I would like to call to your attention H. R. 179. This bill which is aimed at correcting an unfortunate situation resulting from the Comptroller General's decision No. B104200 of August 16, 1951, is up for hearing before a subcommittee of the House Committee on Government Operations on April 30.

You may well be aware of the fact that at the Pearl Harbor Naval Shipyard and other naval activities in Hawaii there is a nucleus of professional top administrative and skilled trades personnel recruited from the mainland on contract. These personnel hold jobs which cannot be filled in the local Hawaiian labor market.

Prior to rendition of the above decision, interpreting Public Law 600, such personnel could, upon completion of a 2-year contract, go on home leave and come back on a new 2-year contract. Their civil-service status was not affected and an employee had a firm offer of a new contract before leaving for the mainland.

With the handing down of the Comptroller General's decision referred to, plus the operation of certain other regulations, the picture has been changed so that a permanent civil-service employee can no longer get home leave without changing his status. Employees on indefinite appointments cannot even be given assurance of continued employment when they take off for home leave.

It has been by observation in personnel work that this has resulted in an increase in turnover and increased training costs. No economies have resulted, for every time an experienced man leaves, an inexperienced man from the mainland must be hired in his stead.

Good personnel practice certainly dictates retention of experienced personnel when it is possible to do so. Experienced personnel can be retained if there is a return to the former return-to-duty contract practices carried on before August 16, 1951. Passage of H. R. 179 will merely restore the former desirable practice.

I strongly urge your study of this problem and am certain you will conclude that passage of the legislation is very much in the best interests of the Government. As stated before, the cost to the Government will be no greater, qualified personnel will be content to remain in this area, and there will be a nucleus of stable experienced personnel essential to carrying on the Government's work in this very important defense outpost.

Sincerely yours,

ETHEL H. NELSON,  
*152 Glenwood Avenue, Glencoe, Ill.*

Hawaii address: 3 South Kalaheo, Kailua, Oahu, T. H.

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NATIONAL ASSOCIATION OF NAVAL TECHNICAL SUPERVISORS,  
PEARL HARBOR CHAPTER,  
*April 19, 1954.*

HON. MARGUERITE STITT CHURCH,  
*House of Representatives, Washington, D. C.*

DEAR MRS. CHURCH: As a member of the above organization and a resident of the State of Illinois, I would like to call to your attention the desirability of passage of H. R. 179. This bill comes up for hearing before a subcommittee of the Government Operations Committee on April 30.

At the present time it is impossible for engineering and other technical personnel of mainland background working in the Hawaiian area to get any home leave except under the most unfavorable conditions. If they are employees with permanent civil-service status, they lose such status and must accept an indefinite appointment if they desire to go home and come back out to Hawaii under a new contract. Engineers who do not have permanent status are equally

bad off. Even if they and their employing activity agree 100 percent on the desirability of a new contract agreement, the present regulations make it impossible for the employer to make a firm commitment of the employee which he can count on when he goes up to the mainland on leave.

It has been the observation of this organization that many naval activities in this area possess a nucleus of skilled professional help recruited on the mainland upon whom the activities must rely heavily. This is so because skills they possess are not available in the local labor market. Since the rendering of Comptroller General's decision No. B104200 of August 16, 1951, the situation has been extremely unfavorable to the recruitment and retention of qualified personnel. Turnover has increased among such personnel as have also costs of training them. There tends to be a constant replacement of experienced personnel with new hands which could be largely avoided if the home-leave situation were improved. I would also like to point out that present conditions are of no advantage to the Government economywise, since as mentioned above the replacement cannot be obtained locally. What happens is that an experienced man goes back to the mainland to stay after serving his contract term and a green man comes out at Government expense to take his place.

I strongly urge your attention to this problem. Passage of H. R. 179 will restore practices existing in this area prior to August 16, 1951, and will do a lot to reduce turnover and achieve the stable and experienced corps of professional personnel so essential to the conduct of the Government's business in this vital defense area.

Sincerely yours,

ROBERT B. MIHLBAUER,  
3706 North Greenview Avenue, Chicago, Ill.

GUAM, May 6, 1954.

HON. MARGUERITE STITT CHURCH,  
*House of Representatives, Washington 25, D. C.:*

Your effort favoring H. R. 179 deeply appreciated by thousands in Hawaii, Guam Trust Territory, Philippines, Japan, and Korea.

A. WALTER JOHNSON,  
*President, Guam No. 23, QNL National Association of Supervisors,  
Department of Defense.*

#### H. R. 179

Hon. Delegate BARTLETT:

We the undersigned members of Local 1019, National Federation of Federal Employees, and unaffiliated employees of Fort Richardson, Alaska, join in petitioning you to support the above legislation.

A. J. Manra, 1005 East Ninth, Anchorage, Alaska; E. A. Marlar, 1362 Richardson Vista, Anchorage, Alaska; Virginia E. Donaho, Box 338, Anchorage, Alaska; Mabel S. McKinney, Engineer Supply Section (AGD), Fort Richardson, Alaska; Ann Leman, Box 1247, Anchorage, Alaska; Clarence E. LeDeux, Sr., Alaska District Engineer Supply Section; Ralph E. Detling, Engineer Section (AGD); Lloyd E. West, Engineer Supply Section (AGD); Arthur A. Schumal, Engineer Supply Section; Olie K. Magnuson, Engineer Supply Section (AGD); Vernon C. Bowen, Engineer Supply Section (AGD); James B. Drury, Signal Supply Section (AGD); V. R. Wedemeier, Signal Supply Section; Barbara Freeman, Signal Supply Section (AGD).

Mrs. CHURCH. Mr. McCormack, I would like your judgment on how far we can go in reading the bill for amendment. I think we have all of the testimony and inclusions. There are certain amendments which have been recommended by the various departments, and which counsel for the committee has listed.

We have no quorum present. Do you think we could find Mr. Hoffman?

Mr. SMITH. Mrs. Church, I have two letters for inclusion in the record too, if you want to put them in.

Mrs. CHURCH. From whom are they?

Mr. SMITH. One is from the American Federation of Technical Engineers, in which they endorse the bill, and then another letter from Mr. Munro from the Central Labor Union Metal Trades Council of the Panama Canal, in which he asks that his letter be included, too.

Mrs. CHURCH. Without objection, they will be included at this point in the record.

(The letters are as follows:)

AMERICAN FEDERATION OF TECHNICAL ENGINEERS,  
Washington, D. C., April 29, 1954.

HON. CLARE E. HOFFMAN,  
*The House of Representatives,*  
Washington, D. C.

DEAR SIR: The American Federation of Technical Engineers, AFL, endorses H. R. 179, a bill to amend section 7 of the Administrative Expenses Act of 1946, as amended. This bill was introduced by Congressman Rivers, and has been referred to the Committee on Government Operations.

Unfortunately, I am unable to appear personally to testify at the committee hearings in support of this legislation. I am sailing from New York for Geneva, Switzerland, on April 30, to represent the American Federation of Labor at the International Labor Organization meeting.

The American Federation of Technical Engineers endorses H. R. 179 because it:

1. Extends a condition of employment to all Federal employees now applicable only to the United States Department of State and the Foreign Operations Administration.
2. Extends to all Federal employees a condition of employment that has been standard practice in private industry for many years.
3. Allows reasonable treatment for employees who, for various reasons, are physically or mentally unable to cope with conditions encountered in foreign service.

It would be appreciated if this letter were incorporated in the record of the hearing. Any assistance you can give to achieve the enactment of this bill will be appreciated.

Very truly yours,

RUSSELL M. STEPHENS. *President.*

MAY 11, 1954.

HON. MARGUERITE S. CHURCH,  
*Chairman, Executive and Legislative Reorganization Subcommittee,*  
*Committee on Government Operations,*  
*House of Representatives, Washington, D. C.*

DEAR MRS. CHURCH: Subsequent to the hearings on H. R. 179 before your subcommittee, a check has been made as to its application to employees on the Canal Zone. It is believed that this legislation will apply to those employees who were hired after the enactment of Public Law 600, 79th Congress, in 1946. This assumption is made on the basis that they have signed a travel agreement and receive free transportation to and from the Canal Zone upon completion of their travel agreement if they terminate their employment.

As you are no doubt aware, May 4, 1954, is the 50th anniversary of the Panama Canal. While none of the employees who went to the isthmus in 1904 are in service today, there are United States citizen employees whose service dates back to 1907. It is evident that those whose service predates 1946 do not have a signed travel agreement as such.

I have been unable to determine when the Panama Canal (renamed the Canal Zone Government and the Panama Canal Company by Public Law 841, 81st Cong.) started using a publication entitled "A Manual of Information Concerning Employment for the Panama Canal" in their recruitment program. How-

ever, a manual dated "Revised July 1, 1942," under "General Conditions of Employment" states the following:

"15. *Free transportation to United States on termination of service.*—Employees who are citizens of the United States will, on termination of service, be granted free transportation to the United States as follows:

"(a) *To New York on Panama Railroad Steamship Line.*—Free transportation to New York on the Panama Railroad Steamship Line will be granted: (1) to employees with 3 years' continuous service without regard to the manner in which the employment terminates or is terminated, (2) to employees with less than 3 years' service who were appointed in the United States and whose employment is terminated by authority of the Governor of the Panama Canal for any cause other than inefficiency or misconduct, and (3) to employees with continuous service of 6 months or more but less than 3 years who were appointed on the isthmus for permanent employment, and whose employment is terminated by authority of the Governor for any reason other than inefficiency or misconduct.

"(b) *To any United States port by another line; limitation.*—Employees entitled to free transportation to New York on the Panama Railroad Steamship Line, under paragraph (a) of this section, may in lieu thereof be granted free transportation to any port of the United States by any other line: *Provided, however,* That if the cost of such transportation exceeds \$50, the employee shall pay such excess cost.

"(c) *To port of embarkation.*—Employees who were appointed in the United States and to whom free transportation was furnished from a port other than New York will on termination of service be granted free transportation to the port of embarkation (1) if they were appointed prior to April 1, 1914, and have served continuously since such appointment, or (2) if their employment is terminated by retirement, or (3) is terminated by the Governor for any cause other than inefficiency or misconduct. Employees entitled to free transportation to port of embarkation, as provided in this paragraph, may in lieu thereof be granted free transportation to any other port of the United States: *Provided, however,* That such employees shall pay any excess in the cost of such transportation over the cost to the port of embarkation.

"(d) *Availability of benefits hereunder.*—Benefits authorized upon the basis, as stated in this section, of 3 years' continuous service, or of appointment prior to April 1, 1914, and continuous service thereafter, or of termination of employment by retirement, shall be available to an employee at any time after termination of his employment. Benefits authorized upon the sole basis, as stated in this section, of termination of employment by authority of the Governor for a cause other than inefficiency or misconduct, shall be available to an employee for a period of 6 months immediately following termination of his employment, and not thereafter."

In addition to the employees of the Panama Canal Company and the Canal Zone government, there are United States citizen civilian employees of the Department of the Army and the Department of the Navy who originally went to the isthmus prior to 1946 who do not have any travel agreement.

I do not believe that your committee will want to penalize these employees because their service predates 1946, nor do I believe your committee would want their status to be left in an uncertain condition. Therefore, it is with these thoughts in mind that I call this group of employees to your attention so that their status can be clearly stated in the legislation or the committee report, should the legislation receive favorable consideration.

Sincerely yours,

HOWARD E. MUNRO,  
Legislative Representative, A. F. of L. Building, 901 Massachusetts  
Avenue NW., Washington 1, D. C.

# APPENDIX

TABLE I

Title	Classification Act		Dependents	Post allowance	Quarters allowance	Total additional
	GS grade	Rate				
Clerk-stenographer.....	Grade 5.....	\$3, 785	None.....	\$390	\$1, 050. 00	\$1, 440. 00
Administrative assistant.....	Grade 9.....	5, 810	Wife, 2 children.....	815	2, 097. 41	2, 912. 41
Supervisory auditor.....	Grade 12.....	7, 640	Wife.....	855	2, 400. 00	3, 255. 00
Attorney.....	Grade 13.....	8, 560	Wife, 1 child.....	1, 000	2, 400. 00	3, 400. 00
Investigator.....	Grade 14.....	9, 600	do.....	1, 060	3, 000. 00	4, 060. 00

TABLE II

Cost-of-living index at post (Washington equals 100)	Post classification	Percent applied to spendable income in determining allowance	Example of post
102.5-107.4.....	1	5	Brussels, Belgium.
107.5-112.4.....	2	10	Göteborg, Sweden.
112.5-117.4.....	3	15	Paris, France.
117.5-122.4.....	4	20	Karachi, Pakistan.
122.5-127.4.....	5	25	Cebu, Philippines.
127.5-132.4.....	6	30	Dakar, French West Africa.
132.5-137.4.....	7	35	Habana, Cuba.
137.5-144.9.....	8	41. 2	Bucharest, Rumania.
145.0-154.9.....	9	50	None.
155.0-164.9.....	10	60	Prague, Czechoslovakia.
165.0-174.9.....	11	70	Caracas, Venezuela.
175.0-184.9.....	12	80	None.
185.0-194.9.....	13	90	Moscow.
195.0-204.9.....	14	100	None.
205.0-214.9.....	15	110	None.

*Computation of estimated costs and savings to result from enactment of H. R. 179, 83d Cong.*

	Navy	Air	Army	C. and D.	Total
1. Number of employees completing contracts and eligible for renewal of employment agreements.....	2, 900	2, 750	5, 900	-----	11, 550
2. Line 1, less those who would delay return beyond date of completion of employment agreement.....	2, 500	2, 500	4, 950	-----	9, 950
3. Number who would renew employment agreement rather than resign if H. R. 179 enacted.....	1, 250	900	2, 475	-----	4, 625
4. Cost of recruitment to replace those in item 3 if they were to resign.....	\$277, 000	\$200, 000	\$552, 000	-----	\$1, 029, 000
5. Number in item 3 with families and eligible for transportation of household goods.....	310	225	620	-----	1, 155
6. Cost of item 5.....	\$310, 000	\$542, 000	\$1, 498, 000	-----	\$2, 350, 000
7. Estimated gross savings (item 4 plus item 6).....	\$587, 000	\$742, 000	\$2, 050, 000	-----	\$3, 379, 000
8. Increased direct transportation costs (employees excluded from item 2 who would use benefits of H. R. 179 prior to normal date of return).....	97, 000	414, 000	( <sup>1</sup> )	-----	511, 000
9. Net saving (item 7 less item 8).....	490, 000	328, 000	2, 050, 000	2—\$4, 000	2, 864, 000

<sup>1</sup> Assumes no accelerated return of individuals excluded from item 2.

<sup>2</sup> Net cost increase—to be deducted from total savings forecast by military departments.

COMPUTATION AND CHART OF ESTIMATED COSTS AND SAVINGS TO RESULT  
FROM ENACTMENT OF H.R. 179, 83RD CONGRESS  
DEFENSE DEPARTMENT

ITEM NO.	NUMBER OF EMPLOYEES	ESTIMATED SAVINGS	ITEM #1	ITEM #2	ITEM #3	ITEM #4	ITEM #5	ITEM #6
1.	ELIGIBLE UNDER PROVISIONS OF H.R. 179 (AS OF MAR 31, '54)	34,235	ELIGIBLE EMPLOYEES					
2.	DEFENSE DEPARTMENT ESTIMATES OF NUMBER OF POSTS TO WHICH THIS WOULD BE ADMINISTRATIVELY APPLIED (BALANCE OF 11,135, ARE IN POSTS NEAR THE U.S. OR WHERE REEFFECTS ARE NOT SEENED, ON THE DEPENDENTS OF MILITARY PERSONNEL)		NO. OF EMPLOYEES TO WHICH APPLIED (2 YR. TERM)					
3.	NUMBER OF EMPLOYEES CURRENTLY ELIGIBLE WHO ARE COMPLETING THEIR 2-YEAR CONTRACTS (1/2 OF ITEM #2)	23,100	23,100					
4.	SUBTRACT ESTIMATED 84% WHO WOULD DELAY RETURN BEYOND DATE OF COMPLETION OF EMPLOYMENT CONTRACT IN ANY EVENT	1,600	11,550					
5.	ESTIMATED NUMBER OF RETIREES THIS YEAR	9,950	EMPLOYEE WHOSE CONTRACT EXPIRED EACH YEAR					
6.	ESTIMATED NUMBER WHO WOULD RENEW EMPLOYMENT AGREEMENT RATHER THAN RESIGN IF H.R. 179 WERE ENACTED (47%)	4,625	EMPLOYEE WHO WOULD REAPPLY WITHOUT H.R. 179					
7.	NUMBER IN ITEM #6 WITH FAMILIES AND ELIGIBLE FOR TRANSPORTATION HOME OF HOUSEHOLD EFFECTS (1/4 OF ITEM #6)	1,155	EMPLOYEE WHO WOULD RETURN TO U.S. EACH YEAR					
8.	COST OF RECRUITMENT TO REPLACE THOSE WHO WOULD OTHERWISE RESIGN (4,625 x \$223 PER EMPLOYEE)	\$ 1,029,000	WOULD RETURN OVERSEAS IF H.R. 179 IS PASSED					
9.	COST OF TRANSPORTATION OF EFFECTS (ITEM #7 FIGURED 1,155 x \$2080 PER EMPLOYEE)	2,350,000	WILL RESIGN					
10.	ESTIMATED GROSS SAVINGS (ITEM #8 PLUS ITEM #9)	\$ 3,379,000	WILL RETURN					
11.	LESS INCREASED COST DUE TO USE OF LEAVE TRAVEL BY THOSE WHO OTHERWISE WOULD STAY (ITEM #4) (\$800 x APPROX \$320) (NOTE: THE LOW COST OF TRANSPORTATION ATTRIBUTABLE TO USE OF MILITARY SEA TRANSPORTATION SERVICE)	515,000	WILL RETURN					
12.	NET SAVING	\$ 2,864,000	WILL RETURN					

(NOTE: IF DEFENSE DEPARTMENT'S ESTIMATED DATED OF \$124 PER EMPLOYEE TO WHOM H.R. 179 IS APPLIED (ITEM #2) WERE EXTENDED TO THE 9,937 EMPLOYEE OF OTHER AGENCIES, AN ADDITIONAL SAVING OF \$1,190,000 WOULD BE MADE. -TOTAL SAVINGS DEFENSE AND OTHER AGENCIES - \$ 4,054,000)









83D CONGRESS  
1ST SESSION

# H. R. 179

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 1953

Mr. RIVERS introduced the following bill; which was referred to the Committee on Government Operations

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## A BILL

To amend section 7 of the Administrative Expenses Act of 1946, as amended.

1        *Be it enacted by the Senate and House of Representa-*  
2   *tives of the United States of America in Congress assembled,*  
3   That section 7 of the Administrative Expenses Act of 1946  
4   (60 Stat. 806; 5 U. S. C. 73b-3), as amended, is further  
5   amended by changing the period at the end thereof to a  
6   colon and adding the following: "*Provided further, That*  
7   *expenses of return travel and transportation, including au-*  
8   *thorized dependents but excluding household effects, from*  
9   *their posts of duty outside the continental United States to*  
10   *the places of actual residence at time of appointment to*

1 such overseas posts of duty, shall be allowed in the case of  
2 persons who have satisfactorily completed an agreed period  
3 of service overseas and are returning to their actual place  
4 of residence for the purpose of taking leave prior to serving  
5 another tour of duty at the same overseas post, under a new  
6 written agreement entered into before departing from the  
7 overseas post: *Provided further*, That expenses of trans-  
8 portation and of the immediate family and shipment of house-  
9 hold effects of any employee from the post of duty of such  
10 employee outside continental United States to place of actual  
11 residence at time of appointment shall be allowed prior to  
12 the return of such employee to the United States when the  
13 employee has acquired eligibility for such transportation or  
14 when the public interest requires the return of the dependents  
15 for compelling personal reasons of a humanitarian or com-  
16 passionate nature, such as may involve physical or mental  
17 health, death of any member of the immediate family, or  
18 obligation imposed by authority or circumstance over which  
19 the individual has no control: *And provided further*, That  
20 when an employee returns his immediate family and house-  
21 hold goods to the United States at his own expense prior to  
22 his return and for other than reasons of public interest, the  
23 Government shall reimburse him for proper transportation  
24 expenses at such time as he acquires eligibility."



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# A BILL

To amend section 7 of the Administrative Expenses Act of 1946 as amended.

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By Mr. RIVERS

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JANUARY 3, 1953

Referred to the Committee on Government Operations





# House of Representatives

## Chamber Action

The House was not in session today. Its next meeting will be held on Monday, May 17, at 12 o'clock. For program see Congressional Program Ahead in this DIGEST.

## Committee Meetings

### FARM PROGRAM

*Committee on Agriculture:* Discussed the general farm program in executive session today, and is scheduled to resume on the same subject next Wednesday morning.

### DEPENDENTS—SERVICE OFFICERS

*Committee on Armed Services:* Ordered the following bills reported to the House—

H. R. 1426, regarding redefinition of words "relative" and "parent" as used in provisions of law authorizing payment of 6 months' death gratuity to widow, child, or dependent relative of persons in the Armed Forces;

H. R. 6725, to extend the authority for the appointment of certain officers in the Regular Navy and Marine Corps;

H. R. 8635, to affirm the temporary appointments of certain officers of the Navy; and

H. R. 9004, regarding appointment as U. S. Commissioner, International Boundary and Water Commission, United States and Mexico.

Recessed until next Tuesday when it will resume hearing of H. R. 8726, military-naval public works bill.

### D. C. BUILDING CONDEMNATION

*Committee on the District of Columbia:* The O'Hara subcommittee concluded public hearings on H. R. 6127, to abolish the existing D. C. Board for the Condemnation of Insanitary Buildings and authorize the Commissioners to establish a new one. District government officials and local interested citizens were heard further on the subject. Recessed subject to call of the Chair.

### FOREIGN OPERATIONS

*Committee on Foreign Affairs:* Resumed executive hearings in respect to the foreign operations program in Europe, meeting with the following witnesses: Dr. D. A. FitzGerald, Deputy Director for Operations, FOA; Cecil B. Lyon, Director, Office of German Affairs, Department of State; Clive DuVal, Assistant General Counsel (International Matters), Department of Defense; Frederick Nolting, Jr., Special Assistant for Mutual Security Administration, Department of State; Robert O'Hara, Office of Comptroller, Department of Defense; and John Murphy, Controller, FOA. Recessed until Monday morning.

### FEDERAL EMPLOYEES TRANSPORTATION

*Committee on Government Operations:* The Subcommittee on Executive and Legislative Reorganization (Representative Church, chairman) approved for reporting to the full committee (as amended) H. R. 179, to provide for payment of expenses of return transportation of Federal employees and authorized dependents, but not household effects, from posts of duty outside continental United States.

### TERRITORIAL LEGISLATION

*Committee on Interior and Insular Affairs:* The Saylor subcommittee approved the following bills for reporting to the full committee (each with amendments)—H. R. 1974, to redefine the territorial limits of division No. 2 for the Federal District Court for the Territory of Alaska; H. R. 2012, 6959, 7958, private bills; and H. R. 8754, to provide for a continuance of civil government for the Trust Territory of the Pacific Islands. Departmental witnesses, requesting favorable action on the bill, were A. M. Edwards, Assistant Solicitor, Office of Territories, Department of Interior; James D. Parriott, Chief Counsel, Bureau of Land Management, Department of Interior; and Willard Carlson, attorney, Office of Territories, Department of Interior.

### SEGREGATION

*Committee on Interstate and Foreign Commerce:* Concluded public hearings on pending bills regarding elimination of passenger discrimination and segregation in interstate commerce. The measures under consideration are H. R. 563, 1013, 1250, 3890, 7304, 7324, 8088, and 8160. Testimony on behalf of the proposed legislation was received today from Miss Alice Brantley, National Council of Negro Women; Aubrey E. Robinson, Jr., American Council on Human Rights; Andrew E. Rice, executive director, American Veterans' Committee, Washington, D. C.; and Herman Edelsberg, Washington, D. C.

## Joint Committee Meetings

### ATOMIC ENERGY ACT AMENDMENTS

*Joint Committee on Atomic Energy:* Committee continued hearings on H. R. 8862 and S. 3323, to amend the Atomic Energy Act of 1946, as amended, with testimony today from Andrew J. Biemiller, AFL; Clyde T. Ellis, National Rural Electric Cooperative Association; Francis K. McCune, Atomic Products Division, General Electric Co.; and Angus McDonald, National Farmers Union. Hearings continue May 17.

## CONGRESSIONAL PROGRAM AHEAD

## Senate Chamber

(Week of May 17-22)

On Monday, Senate will call calendar from Order No. 1276 (S. 3378, revise Organic Act of Virgin Islands), and will continue on H. R. 116, transportation of fire-works, to be followed on Tuesday by consideration of H. R. 8583, independent offices appropriations for 1955, and thereafter by consideration of S. 975, amend Home Owners Loan Act.

## Senate Committees

*Committee on Agriculture and Forestry:* May 17, executive, on S. 2786, Southeastern Interstate Forest Fire Protection Compact, S. 3137, conservation of water, and S. 3052, general farm program, and on nomination of R. L. Farrington to be a member of the Board of Directors of CCC, 10 a. m., 324 Senate Office Building;

May 19, executive, on committee business, 10 a. m., 324 Senate Office Building.

*Committee on Appropriations:* May 18-21, subcommittee, on H. R. 8873, Defense appropriations, 10 a. m., room F-39, Capitol;

May 17, subcommittee, executive, on H. R. 8067, State, Justice, Commerce, with Secretary Dulles, 2 p. m., room F-37, Capitol;

May 17, Subcommittee on Labor-HEW, on Social Security Administration, 10 a. m., room F-82, Capitol.

*Committee on Armed Services:* May 18, Subcommittee on Real Estate and Military Construction, 9:30 a. m., 212 Senate Office Building;

May 19, Preparedness Subcommittee No. 5 (Saltonstall, Flanders, Duff, Johnson of Texas, and Symington), on Texas City tin smelter, 10:30 a. m., 212 Senate Office Building;

May 20, full committee, 10 a. m., 212 Senate Office Building.

*Committee on Banking and Currency:* May 18, executive, to mark up S. 2938, Housing Act of 1954, 10 a. m., 301 Senate Office Building.

*Committee on the District of Columbia:* May 19, executive, on legislative calendar, 11 a. m., room P-38, Capitol.

*Committee on Finance:* May 17-21, executive, on H. R. 8300, general tax revision bill, Monday at 10:30 a. m., and remainder of week at 10 a. m., 312 Senate Office Building.

*Committee on Government Operations:* May 17-21, Permanent Subcommittee on Investigations, on subcommittee-Army controversy, 10 a. m. and 2 p. m., 318 Senate Office Building.

*Committee on Interior and Insular Affairs:* May 17 and 18, on S. 3344, to provide for multiple mineral development, 10:30 a. m., 224 Senate Office Building;

May 19 and 20, see Joint Committee schedule.

*Committee on Interstate and Foreign Commerce:* May 17, Subcommittee on Water Transportation, on S. 3233, transportation of a portion of waterborne cargoes in U. S.-flag vessels, 2:30 p. m., room G-16, Capitol;

May 18, full committee, on S. 2647, Civil Aeronautics Act of 1954, 9:30 a. m., room G-16, Capitol;

May 19-21, Subcommittee on Communications, on UHF and S. 3095, multiple ownership of radio stations, 9 a. m., room G-16, Capitol;

May 19, Subcommittee on Water Transportation, on conditions of American shipyards, 10:30 a. m., room G-16, Capitol.

*Committee on the Judiciary:* May 17, executive, on calendar business, 10:30 a. m., 424 Senate Office Building;

May 17, subcommittee, on S. J. Res. 87, to amend the Constitution recognizing the authority and law of Jesus Christ, 2 p. m., 424 Senate Office Building;

May 19, subcommittee, on S. 477, a private bill, 10 a. m., 142 Senate Office Building;

May 19, subcommittee, on S. 3231, relating to the concealing of persons from arrest, and S. 3232, providing for punishment of persons who jump bail, 10 a. m., 424 Senate Office Building;

May 20, subcommittee, on S. J. Res. 136, proposing an amendment to the Constitution empowering Congress to grant representation in the House and in the electoral college to the D. C., 10 a. m., 424 Senate Office Building;

May 21, subcommittee, on S. 175, to provide for distribution of motor-vehicle tires, 9:30 a. m., 424 Senate Office Building.

*Committee on Labor and Public Welfare:* May 17-20, Subcommittee on Education, on S. 359, 2601, 2779, all on school construction, 9:30 a. m., room P-63, Capitol;

May 17, special subcommittee to investigate employee welfare funds, executive, organizational meeting, 10 a. m., 360 Senate Office Building;

May 17, Subcommittee on Veterans' Affairs, executive, on pending business, 2:30 p. m., room F-42, Capitol.

*Select Committee on Small Business:* May 19 and 20, Subcommittee on Military Procurement, on Navy procurement of tugboats, 10 a. m., Wednesday in 155 Senate Office Building, and Thursday in room P-38, Capitol.

## House Chamber

(Week of May 17-22)

*Monday*, the House will call the Consent Calendar.

*Tuesday*, the Private Calendar will be called (Pennsylvania primary day).

*Wednesday and balance of week*, the House will act on the following bills:

H. R. 7601, authorizing an appropriation to provide for a White House Conference on Education.

H. R. 7664, to provide for the development of the Priest Rapids site on the Columbia River, Wash., under a license issued pursuant to Federal Power Act (if a rule is granted).

H. R. 7815, to provide for construction, operation, and maintenance of the Cougar Dam and Reservoir on the South Fork McKenzie River, Oreg., with participation for power by the city of Eugene, Oreg. (if a rule is granted).

H. R. 8726, the military-naval public works authorization bill (if reported and a rule is granted).

NOTE.—Conference reports may be brought up at any time.

## House Committees

*Committee on Agriculture:* May 19, to resume executive consideration of general farm program.

*Committee on Armed Services:* May 18, to resume executive hearings on H. R. 8726, the military-naval public works bill.

*Committee on Banking and Currency:* May 17, executive session on proposed amendments to H. R. 7839, Housing Act of 1954, 10 a. m., 1301 New House Office Building.

*Committee on Foreign Affairs:* May 17, to continue executive consideration of the Foreign Operations program, 10 a. m., room G-3, Capitol.

*Committee on Government Operations:* May 19, regular executive meeting.

May 20, Brownson subcommittee on draft report of its study of "Relief and Rehabilitation in Korea."

*Committee on House Administration:* May 18, executive meeting of full committee.

*Committee on Interior and Insular Affairs:* May 17, Subcommittee on Indian Affairs on S. 2670, to provide for termination





revenues from the Shoshone powerplant to which it is entitled under its contract with the United States, was cleared for Presidential action by House concurrence in Senate amendments thereto.

Page 9446

**Vocational Rehabilitation:** Concluded the consideration of H. R. 9640, to amend the Vocational Rehabilitation Act so as to promote and assist in the extension and improvement of vocational rehabilitation services; provide for a more effective use of available Federal funds, and otherwise improve the provisions of that act, but deferred the vote on the bill until Thursday.

Adopted amendments designed to—

Lengthen periods of training for certain individuals from 6 months to 12 months.

Make funds available to rural school boards for training of shut-ins.

Require trained personnel in U. S. employment offices in connection with placement of rehabilitated persons.

Increase to \$225,000 the authorization for the President's Committee for Employing the Physically Handicapped to further stimulate job opportunities for the handicapped.

H. Res. 606, the rule under which the bill was considered, was adopted earlier.

Pages 9443-9473

**Internal Revenue Revision:** Disagreed to Senate amendments to H. R. 8300, to revise the internal revenue laws of the United States; agreed to a conference with the Senate; and appointed as conferees Representatives Reed of New York, Jenkins, Simpson of Pennsylvania, Cooper, and Dingell.

Page 9473

**Veterans' Dental Treatment:** H. R. 6412, outpatient dental treatment for certain veterans, was cleared for the White House by House concurrence in Senate amendments thereto.

Page 9474

**Fugitives—Harboring:** Passed by a voice vote H. R. 7486, to amend section 1071, title 18, U. S. Code, relating to the concealing of persons from arrest, so as to increase the penalties therein provided. This bill increases the penalty from a \$1,000 fine or imprisonment of 6 months or both to a fine of \$1,000 and imprisonment of 1 year or both; except that if the warrant or process issued on a charge of felony, or after conviction of such person of any offense, the punishment shall be a fine of not more than \$5,000, or imprisonment for not more than 5 years, or both.

H. Res. 607, the rule for the consideration of the legislation, was adopted earlier.

Pages 9445-9446, 9475-9477

**Bill Referred:** 28 Senate-passed bills were referred to appropriate committees.

Pages 9484-9485

**Program for Thursday:** Adjourned at 5:38 p. m. until Thursday, July 8, at 12 o'clock noon, when the House will vote on passage of H. R. 9640, and consider H. R. 9709, to extend and improve the unemployment compensation program.

## Committee Meetings

### DISTRICT JUDICIARY

**Committee on the District of Columbia:** The O'Hara subcommittee held hearings today on the following bills—H. R. 6719, to incorporate the foundation of the Federal Bar Association; H. R. 7670, relating to the referral of cases by the municipal court for the District of Columbia to the District of Columbia tax court; H. R. 8128, to modify the requirement for an oath in certain cases in attachment proceedings in the District of Columbia; H. R. 8565, specifies that only one attachment, levy, execution, etc., against compensation and other income of a judgment debtor in the District of Columbia shall be satisfied at one time; H. R. 8590, to increase the term of service for the member of the Board of Tax Appeals to 10 years (now 4 years); and H. R. 8915, grants the D. C. municipal court of appeals exclusive jurisdiction to review various orders or decisions of administrative agencies of the District of Columbia.

Vernon E. West, D. C. Corporation Counsel, testified in connection with all of the bills considered. Chief Judge Leonard P. Walsh and Judge Milton Kronheim, of the D. C. municipal court, testified on H. R. 7670, 8128, and 8565. Judge Jo V. Morgan of the D. C. tax court, testified on H. R. 7670 and 8590. Representatives of the Women's Bar Association and the D. C. Bar Association were heard on H. R. 7670, 8128, 8565, and 8915. Witnesses heard on H. R. 8915 were Chief Judge Harold M. Stephens of the U. S. Court of Appeals for the District of Columbia; and Chief Judge Nathan Cayton of the D. C. municipal court of appeals. Testimony regarding H. R. 6719 was presented by William L. Ellis, representing the Federal Bar Association; and Abe Goff, Solicitor for the Post Office Department.

### COMMUNIST CHINA, U. N. ADMITTANCE

**Committee on Foreign Affairs:** Announced that the Subcommittee on the Far East and Pacific would hold a public hearing Friday morning (July 9) on H. J. Res. 286, to provide that the U. S. Government should re-examine its policy regarding the U. N. if the Communist government of China is admitted to the United Nations or any of its specialized agencies. Representative Bentley (Michigan), author of the bill, is scheduled to testify.

### FEDERAL EMPLOYEES' TRANSPORTATION

**Committee on Government Operations:** Ordered the following bills reported to the House—

H. R. 179, amended, to provide for payment of expenses of return transportation of Federal employees and authorized dependents, but not household effects, from posts of duty outside continental United States; and

H. R. 8020, amended, to authorize the transfer of certain property of the U. S. Government (in Klamath Falls, Oreg.) to the State of Oregon.

## IRRIGATION AND RECLAMATION

*Committee on Interior and Insular Affairs:* The Harrison subcommittee approved the following bills for reporting to the full committee—H. R. 7813, amended, to authorize the Secretary of the Interior to adjust or cancel any charges which have accrued, or which will hereafter accrue, under public notice No. 5, Milk River project, Montana; H. R. 9630, amended, to authorize the Secretary of the Interior to execute an amendatory contract with the Black Canyon Irrigation District, Idaho; H. R. 9679, granting the consent of Congress to a compact entered into by the States of Louisiana and Texas and relating to the waters of the Sabine River; and H. J. Res. 330, to provide financial assistance to the Oakdale and South San Joaquin Irrigation Districts, California, in the construction of the Tri-Dam project. Floyd Dominy, Chief of the Irrigation Division, Bureau of Reclamation, was heard on the various proposals, and Brig. Gen. Louis W. Prentiss, D. C. Engineer Commissioner, represented the Federal Government, in connection with the Sabine River Compact. Representative Brooks (Texas) explained the purposes of his proposal (H. R. 9679), along with Homer J. Belanger, attorney for the State of Louisiana; and Representative Brooks of Louisiana, who also introduced a similar bill urging the compact (H. R. 6439). This measure was tabled in lieu of H. R. 9679.

## HOG ISLAND, PA., DEVELOPMENT

*Committee on Interstate and Foreign Commerce:* Ordered reported to the House, as amended, H. R. 9577, to permit the development (by the city of Philadelphia) of the Hog Island tract as an air, rail, and marine terminal.

In a public hearing on this bill, and a similar measure (H. R. 9734), the following witnesses testified—Robert B. Murray, Jr., Under Secretary of Commerce for Transportation; Lennig Travis, assistant manager, traffic division, Atlantic Refining Co.; DeWitt C. Clement, director of industrial development division, Greater Philadelphia-Delaware-South Jersey Council; and Louis R. Inwood, director of aviation, Pennsylvania State Department of Commerce.

## WASHINGTON NATIONAL AIRPORT

*Committee on Interstate and Foreign Commerce:* Announced the postponement of the hearings scheduled for tomorrow (Thursday) on H. R. 9327, administration of Washington National Airport; and H. R. 9326, to amend the Federal Power Act relating to stream improvements.

## COMMUNISM

*Committee on the Judiciary:* Subcommittee No. 1 reported favorably to the full committee H. J. Res. 527, amended, relating to the Communist Party and Communist-infiltrated organizations. Also reported favor-

ably on 47 private immigration bills (32 House and 15 Senate); and reported adversely on 3 other bills (2 House and 1 Senate).

## EXTENSION OF PATENTS

*Committee on the Judiciary:* Subcommittee No. 3 approved for reporting to the full committee, with amendments, H. R. 3534, to authorize the extension of patents covering inventions whose practice was prevented or curtailed during certain emergency periods by service of the patent owner in the Armed Forces or by production controls.

## CLAIMS

*Committee on the Judiciary:* Subcommittee No. 5 ordered favorably reported to the full committee two private claims bills of the Senate.

## PANAMA CANAL

*Committee on Merchant Marine and Fisheries:* Subcommittee No. 3 continued its public hearings on the operations of the Panama Canal Company and the Canal Zone Government. Bills currently pending on this subject are H. R. 9397, 9427, 9429, 9433, 9583, 9665, and 9681. Hugh S. Williamson, representing the Association of American Shipowners, was interrogated regarding his testimony of yesterday. LaVern R. Dilweg, former Member of Congress and a practicing attorney in Washington, D. C., appeared on behalf of the United States Citizens Association. This association is composed of American citizens residing in the Canal Zone. Mr. Dilweg was accompanied by Emmit O'Neal, his associate, also a former Member of Congress. The statement of Gerald Fitzgerald, legislative representative of the Government and Civic Employees Organizing Committee (CIO), was read into the record by Milton Murray, secretary-treasurer of the organization. Subcommittee adjourned subject to call of the Chair.

## FEDERAL EMPLOYEE SALARIES

*Committee on Post Office and Civil Service:* Resumed executive marking up of the Federal employees' pay and reclassification bill (H. R. 8093). Recessed on the subject until tomorrow morning.

## UNEMPLOYMENT COMPENSATION

*Committee on Rules:* Granted a closed rule providing 3 hours of general debate on, and waiving points of order against, H. R. 9709, to extend and improve the unemployment compensation program. Under the rule, no amendment may be offered except by the direction of the Committee on Ways and Means, with the further exception that any member of that committee may offer either or both of the proposed amendments printed in Congressional Record of July 7, 1954—said amendments not subject to amendment. One motion





12. TRADE AGREEMENTS. Both Houses received the President's message transmitting a report on the inclusion of escape clauses in existing trade agreements; to House Ways and Means Committee and Senate Finance Committee (H. Doc. 470) (pp. 9489, 9547).
13. TRAVEL. Passed as reported H. R. 179, to provide for payment of expenses of round trip transportation of Federal employees and their immediate families, but not household effects from posts of duty outside continental U. S. (pp. 9489, 9527). This bill had earlier been reported with amendments by the Government Operations Committee (H. Rept. 2096) (p. 9544). As passed, the bill allows payment for round trip travel of the employees and their immediate families from their posts of duty outside the continental U. S. to places of actual residence at time of appointment or transfer to such overseas posts of duty and who are returning thereto for the purpose of taking leave prior to serving another tour of duty at the same or some other post outside continental U. S.
14. VOCATIONAL REHABILITATION. Passed, 347-0, H. R. 9640, to extend and improve services under the Vocational Rehabilitation Act (pp. 9488-89). Vacated earlier passage of this bill, and passed S. 2759, a similar bill, after amending it to contain the language of H. R. 9640. House and Senate conferees were appointed. (pp. 9523-7, 9607-11.)
15. FCA AUDIT REPORT. Received GAO's audit report on the FCA for the 1953 fiscal year (p. 9544).
16. HOUSING LOANS. The conferees were authorized until midnight July 10 to file a conference report on H. R. 7839, which includes a provision continuing the rural-housing loan program (p. 9541).
17. VIRGIN ISLANDS. The conferees were authorized until midnight July 10 to file a conference report on S. 3378, to revise the Virgin Islands Organic Act (which includes a provision relating to the importation of diseased animals) (p. 9541).
18. PERSONNEL. The Post Office and Civil Service Committee was granted permission until midnight July 10 to file a report on H. R. 9836, the Federal employees' pay and reclassification bill (p. 9541).
19. RECLAMATION; ELECTRIFICATION. House conferees were appointed on H. R. 4854, to authorize Interior to construct the Foster Creek division, Chief Joseph Dam project, Wash. (p. 9528). Senate conferees have not yet been appointed.
20. ADJOURNED until Mon., July 12 (p. 9544). The Legislative Program for next week, as announced by Rep. Arends: The House will consider bills to authorize increase in interest rates on direct and insured loans under the Bankhead-Jones Act, etc., transfer surplus CCC hay and pasture seeds to FS and other land administering agencies, and, if rules are granted, bills to increase limit on individual water facilities loans and expand area of coverage to entire country, and health reinsurance (pp. 9540-1).

#### BILLS INTRODUCED

21. MONOPOLY. H. R. 9834, by Rep. Hoffman, Mich., to provide for taking the Fed. Government out of competition with private enterprise; to Government Operations Committee (p. 9546).

leasing laws, on the same tracts of the public lands (pp. 9577, 9581-93).

S. 2380, to amend various provisions of the mineral leasing laws so as to encourage exploration and development of the oil and gas reserves of the public domain (pp. 9593, 9596-8).

S. 2381, to increase the amount of public land that any one person, etc., may hold under an oil and gas lease (pp. 9598-9).

8. STOCKPILING. The Minerals, Materials, and Fuels Economic Subcommittee submitted a report (June 23) containing findings and recommendations to the Interior and Insular Affairs Committee, pursuant to S. Res. 143, directing a study of the accessibility of strategic and critical materials (including agricultural products) to the U. S. The following is an excerpt from the report: "Obviously if we adopt free trade we should abandon our entire price support program. If we do not do this, we would be attempting to support farm prices all over the world at the expense of the American taxpayer." A committee print of this report is available in the Legislative Reporting Staff for lending purposes.

#### HOUSE

9. UNEMPLOYMENT COMPENSATION. Passed, 309-36, without amendment H. R. 9709, to extend and amend the unemployment-compensation program (pp. 9490-522). The bill contains a provision which is described as follows in the committee report:

"H. R. 9709 provides for unemployment insurance for Federal civilian workers including Puerto Rico or the Virgin Islands, and elsewhere, if citizens of the United States. (Nearly all of the exceptions to coverage are identical with the categories of Federal workers excluded from the Social Security Act for purposes of the old-age and survivors insurance.) Unemployment compensation will be payable to such Federal workers who are unemployed after December 31, 1954. A Federal worker's rights to benefits are to be determined under the unemployment-compensation law of the State to which his Federal services and wages are assigned. Usually, this will be the State in which the worker had his official station when he became unemployed, or, if he has been in Foreign Service, the State in which he resides when he files his claim. Compensation will not be paid for the period with respect to which accrued annual leave is paid upon separation."

10. RESEARCH; FORESTRY; FARM LOANS. The Agriculture Committee reported without amendment S. 2367, to authorize USDA research appropriations to be available for accomplishing their purpose by contract (this authority is now limited to research under the Research and Marketing Act ) (H. Rept. 2100); and H. R. 9345, to grant the consent and approval of Congress to the Southeastern Interstate Forest Fire Protection Compact (H. Rept. 2099); and with amendment S. 3487, to authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures (H. Rept. 2101) (p. 9544).

The Committee also ordered reported (but did not actually report ) H. R. 6393, to grant the consent and approval of Congress to the South Central Interstate Forest Fire Protection Compact (p. D798).

11. PESTICIDES. Concurred in the Senate amendment to H. R. 7125, to amend the Federal Food Drug, and Cosmetic Act so as to improve, simplify, and speed up the procedure thereunder in regulating the amount of residue which may remain on raw agricultural commodities after use of pesticide chemicals (p. 9522). This bill will now be sent to the President.

## AMENDING SECTION 7 OF THE ADMINISTRATIVE EXPENSES ACT OF 1946, AS AMENDED

JULY 8, 1954.—Committed to the Committee of the Whole House on the State  
of the Union and ordered to be printed with illustrations

Mr. HOFFMAN of Michigan, from the Committee on Government  
Operations, submitted the following

### R E P O R T

[To accompany H. R. 179]

The Committee on Government Operations, to whom was referred the bill (H. R. 179) to amend section 7 of the Administrative Expenses Act of 1946, as amended, report favorably thereon, with amendments, and recommend that the bill, as amended, do pass.

The amendments are as follows:

Page 1, line 5, strike the word "thereof" and substitute the words "of the first sentence".

Page 1, line 7, strike the word "return" and insert the words "round trip".

Page 1, line 7, after the word "travel", insert the words "of employee".

Page 1, lines 7 and 8, strike the comma and the words "including authorized dependents" and insert the words "of immediate family".

Page 1, line 10, after the word "appointment", insert the words "or transfer".

Page 2, line 5, after the word "same", insert the words "or some other".

Page 2, line 8, strike the word "and" following the word "transportation".

Page 2, line 11, strike the words "at time of appointment" and insert after the word "allowed" the words ", not in excess of one time,".

Page 2, line 12, after the word "States", insert a comma and the words "including its Territories and possessions,".

Page 2, line 14, strike the word "dependents" and insert the words "immediate family".

Page 2, line 21, after the word "States", insert a comma and the words ", including its Territories and possessions,".

Page 2, line 24, after the word "eligibility", insert the word "therefor".

#### INTRODUCTORY STATEMENT

The Executive and Legislative Reorganization Subcommittee, under the acting chairmanship of Representative Marguerite Stitt Church, held a hearing on the bill (H. R. 179) to amend section 7 of the Administrative Act of 1946, as amended, on April 30, 1954. At that time, testimony was presented by the author of the bill, Hon. L. Mendel Rivers, witnesses from the interested executive departments, and other organizations and persons interested in the legislation.

A subsequent meeting of the subcommittee was held on May 14, 1954, for the purpose of taking the testimony of Hon. E. L. Bartlett, Delegate from Alaska, and marking up the bill.

The principal supporters of the bill are certain Federal employee unions, and other associations and unions interested in the welfare of the Government employee who serves at overseas posts.

The committee had received numerous complaints from individual Federal employees who are serving outside the continental limits of the United States and are interested in the enactment of this legislation.

As a result of certain decisions rendered by the Comptroller General in 1951, privileges of transportation at Government expense for the purpose of taking annual leave in the United States, which was formerly enjoyed by Government employees overseas, has now been denied, hence the agitation for enactment of this bill.

#### PURPOSE

The purpose of the bill (H. R. 179) is to authorize the payment of expenses of round-trip travel and transportation for civilian Government employees and their families between tours of duty overseas for the purpose of taking leave; to authorize the payment of expenses of the return to the United States, including Territories and possessions, of the immediate family and effects of an employee prior to his return, when he has acquired eligibility for such transportation or when public interest requires the return of the immediate family for compelling personal reasons of a humanitarian or compassionate nature or because of obligation imposed by authority or circumstances over which the individual has no control; and to authorize the reimbursement of an employee for expenses he incurs, in returning his family and household goods prior to his return, at such time as he acquires eligibility.

#### ANALYSIS OF BILL

The bill (H. R. 179) to amend section 7 of the Administrative Expenses Act of 1946, as amended, contains three provisos:

The first proviso will permit civilian Government employees who have satisfactorily completed an agreed period of service overseas, and their immediate family, excluding household effects, to return to their residence in the United States, including its Territories and pos-

sessions, prior to serving another tour of duty at the same or some other post, at Government expense for the purpose of taking annual leave.

The second proviso permits the Government to pay the expenses of transportation of the employee's immediate family and shipment of household effects from the post of duty to the employee's place of residence, not in excess of once for each tour of duty, when the employee has acquired eligibility for such transportation or when the public interest so requires, for compelling reasons of a humanitarian or compassionate nature, or because of obligation imposed by authority or circumstances over which the individual has no control.

The third proviso would permit an employee to return his immediate family and household effects to the United States, including its Territories and possessions, at his own expense prior to his return, and for reasons other than the public interest, and to be reimbursed therefor by the Government at such time as he acquires eligibility therefor.

#### GENERAL STATEMENT

On August 16, 1951, the Comptroller General (31 Comp. Gen. 36; B-104200) advised that, under the Administrative Expenses Act of August 2, 1946 (Public Law 600, 79th Cong.), as amended by the act of September 23, 1950 (Public Law 830, 81st Cong.), providing that travel and transportation expenses of employees assigned to posts of duty outside the continental United States will be allowed "upon separation," transferees or new appointees serving under limited or indefinite appointments may not be returned to the United States at Government expense for the sole purpose of taking annual leave.

Prior to the amendments, the Comptroller General had indicated that there was nothing in the provisions of the Administrative Expenses Act or its legislative history which could be construed as authorizing the return of employees to the United States for the purpose of taking leave, but that no objection would be made to the continuation of the practice of granting leave under such circumstances for the purpose of fulfilling any existing commitments.

Since the enactment of these amendments, the Comptroller General has indicated that there are specific requirements that the travel and transportation expenses for civilian Government employees and their immediate families will be allowed upon separation, transfer, or new appointment. Under the statute as now worded, the Comptroller General has held that return of employees to the United States for the sole purpose of taking annual leave is not authorized at Government expense.

With reference to the advance return of dependents, the Comptroller General, in 1949 (29 Comp. Gen. 160) ruled that—

there can be no valid travel authority issued for dependents alone, and in any case when the return travel of dependents occurs prior to the issuance of proper orders directing the return of that employee and his dependents \* \* \* the expenses incident thereto may not be paid from appropriated funds.

Subsequent to this ruling, the Department of the Army engaged in further discussion with the Comptroller General on the subject of the advance return of dependents. As a result, two decisions were

rendered by the Comptroller General (June 25, 1952, B-108678; and September 26, 1952, B-108678), which decisions substantially reversed the previous ruling (29 Comp. Gen. 160).

The Comptroller General now holds (1) that dependents and household goods may be returned in advance of the employee at Government expense any time after he has completed his agreed tour of duty and has otherwise become entitled to return travel; or (2) where compelling personal circumstances require that dependents be returned before the employee becomes entitled to transportation at Government expense, the employee may be reimbursed for the expenses incurred in such return upon completion of his agreed period of service.

This differs from the provisions of the bill, in that the bill provides for the return of the employee's immediate family at Government expense when public interest requires such return for (1) compelling personal reasons of compassionate or humanitarian nature, or (2) obligation imposed by authority or circumstances over which the individual has no control.

The bill also provides that the employee may be reimbursed for the expenses of transportation, if the return of his immediate family is made prior to his departure and for other than reasons of public interest, when he acquires eligibility therefor.

#### PRESENT LAW

The Administrative Expenses Act of 1946, as amended (5 U. S. C. 73), provides, under section 73b-1, that the President may prescribe regulations pertaining to civilian officers or employees of the Government, permitting their transfer from one official station to another for permanent duty when authorized or approved by the department concerned and authorize the payment from Government funds for expenses of travel of the employee and the expenses of transportation of his immediate family, including expenses of transportation, packing, crating, temporary storage, drayage, and unpacking of his household goods and personal effects (not to exceed 7,000 pounds if uncrated or 8,750 pounds if crated, or the equivalent thereof when transportation charges are based on cubic measurement).

This section also provides that, where the immediate families of employees must be evacuated for military or other reasons involving immediate danger to life or property, the Government will bear the expense of such moves of the immediate family and household goods.

Section 73b-3 provides that the expenses of travel of new appointees and the expenses of transportation of their immediate families and household goods and personal effects, from their place of actual residence at the time of appointment to the place of employment outside the continental limits of the United States, will all be borne by the Government, provided the employee shall agree, in writing, to remain in the Government's service for 12 months following his appointment (amendment, September 23, 1950) and makes the payment for such return transportation dependent upon a service by the employee of a minimum period of 1 to 3 years, such period to be prescribed by the head of the department, unless separated for reasons beyond his control and acceptable to the department.

This section further provides that the expenses of return travel and transportation, upon separation, shall be allowed whether such

separation is for purposes of the Government or for personal convenience, providing the employee has served for a minimum period of not less than 1 or more than 3 years, as prescribed by the department, or unless separation is for reasons beyond the control of the employee and acceptable to the department.

AGENCY COMMENTS

The executive departments, Agriculture, Defense, Commerce, Bureau of the Budget, and the Civil Service Commission, who testified in behalf of this bill, were all in favor of enactment, but suggested certain amendments thereto.

The Department of Interior had no objection to the enactment of the bill but called attention to the possible effect the bill might have upon the Territories of Alaska and Hawaii. It indicated that, in its judgment, the enactment of the bill would have an adverse effect on the development of Alaska and Hawaii in that it would, in effect, encourage more employment of stateside employees rather than local employment.

The Honorable E. L. Bartlett, Delegate from Alaska, recommended the enactment of this legislation. He disagreed with the views of the Department of Interior; stated that he believed that Alaska and Hawaii should not be exempted from the provisions of this bill.

The Comptroller General made no recommendation concerning the enactment of the bill, but did suggest certain amendments. He indicated that the bill is subject to a possible interpretation of being applicable only to employees whose period of service overseas begins on or after the effective date of the proposed legislation. He suggested that the committee report specifically state that the benefits of the bill will apply to employees overseas on the date of the bill and the time served prior to such date would be counted.

In this respect, the committee pointed out that it did not desire that employees be permitted to collect for trips or shipment of household goods that had been made at the employee's expense prior to the current contract under which they are serving.

It was also the committee's intention that this bill will be applicable to civilian Government employees who are presently serving on current contracts or future contracts.

On request, the Comptroller General furnished two tables: Table I, showing the post and quarters allowance of employees stationed overseas (Paris, France), and table II, showing a comparative cost-of-living index between Washington, D. C., and overseas posts. They are as follows:

TABLE I

Title	Classification Act		Dependents	Post allowance	Quarters allowance	Total additional
	GS grade	Rate				
Clerk-stenographer.....	Grade 5...	\$3, 785	None.....	\$390	\$1, 050. 00	\$1, 440. 00
Administrative assistant....	Grade 9...	5, 810	Wife, 2 children.....	815	2, 097. 41	2, 912. 41
Supervisory auditor.....	Grade 12...	7, 640	Wife.....	855	2, 400. 00	3, 255. 00
Attorney.....	Grade 13...	8, 560	Wife, 1 child.....	1, 000	2, 400. 00	3, 400. 00
Investigator.....	Grade 14...	9, 600	do.....	1, 060	3, 000. 00	4, 060. 00

TABLE II

Cost-of-living index at post (Washington equals 100)	Post clas- sifica- tion	Percent ap- plied to spendable income in determining allowance	Example of post
102.5-107.4.....	1	5	Brussels, Belgium.
107.5-112.4.....	2	10	Goteberg, Sweden.
112.5-117.4.....	3	15	Paris, France.
117.5-122.4.....	4	20	Karachi, Pakistan.
122.5-127.4.....	5	25	Cebu, Philippines.
127.5-132.4.....	6	30	Dakar, French West Africa.
132.5-137.4.....	7	35	Habana, Cuba.
137.5-144.9.....	8	41.2	Bucharest, Rumania.
145.0-154.9.....	9	50	None.
155.0-164.9.....	10	60	Prague, Czechoslovakia.
165.0-174.9.....	11	70	Caracas, Venezuela.
175.0-184.9.....	12	80	None.
185.0-194.9.....	13	90	Moscow.
195.0-204.9.....	14	100	None.
205.0-214.9.....	15	110	None.

The Department of the Army furnished a table, setting forth an estimate of possible savings of \$2,864,000 by the Defense Department, resulting from the shipping of employees and household goods to and from overseas assignments, under the provisions of this bill, as compared to the present law. The table is as follows:

*Computation of estimated costs and savings to result from enactment of H. R. 179, 83d Cong.*

	Navy	Air	Army	C. and D.	Total
1. Number of employees completing contracts and eligible for renewal of employment agreements.....	2,900	2,750	5,900	-----	11,550
2. Line 1, less those who would delay return beyond date of completion of employment agreement.....	2,500	2,500	4,950	-----	9,950
3. Number who would renew employment agreement rather than resign if H. R. 179 enacted.....	1,250	900	2,475	-----	4,625
4. Cost of recruitment to replace those in item 3 if they were to resign.....	\$277,000	\$200,000	\$552,000	-----	\$1,029,000
5. Number in item 3 with families and eligible for transportation of household goods.....	310	225	620	-----	1,155
6. Cost of item 5.....	\$310,000	\$542,000	\$1,498,000	-----	\$2,350,000
7. Estimated gross savings (item 4 plus item 6).....	\$587,000	\$742,000	\$2,050,000	-----	\$3,379,000
8. Increased direct transportation costs (employees excluded from item 2 who would use benefits of H. R. 179 prior to normal date of return).....	97,000	414,000	( <sup>1</sup> )	-----	511,000
9. Net saving (item 7 less item 8).....	490,000	328,000	2,050,000	<sup>2</sup> —\$4,000	2,864,000

<sup>1</sup> Assumes no accelerated return of individuals excluded from item 2.

<sup>2</sup> Net cost increase—to be deducted from total savings forecast by military departments.

The Bureau of the Budget furnished a chart representing the estimated savings as set forth in the table supplied by the Department of the Army. If the Defense Department's estimate is applied to employees in other agencies, the total savings would be \$4,054,000. It also furnished a table reflecting the number and agency distribution of civilian employees in executive departments located in foreign countries and Territories and possessions as of March 31, 1954. Two charts were supplied, one reflecting United States Government employment overseas and the other personnel covered by H. R. 179—a maximum of 43,872. The tables and charts are as follows:



## 8 AMEND SECTION 7 OF ADMINISTRATIVE EXPENSES ACT OF 1946

*Federal overseas civilian employment as of Mar. 31, 1954*

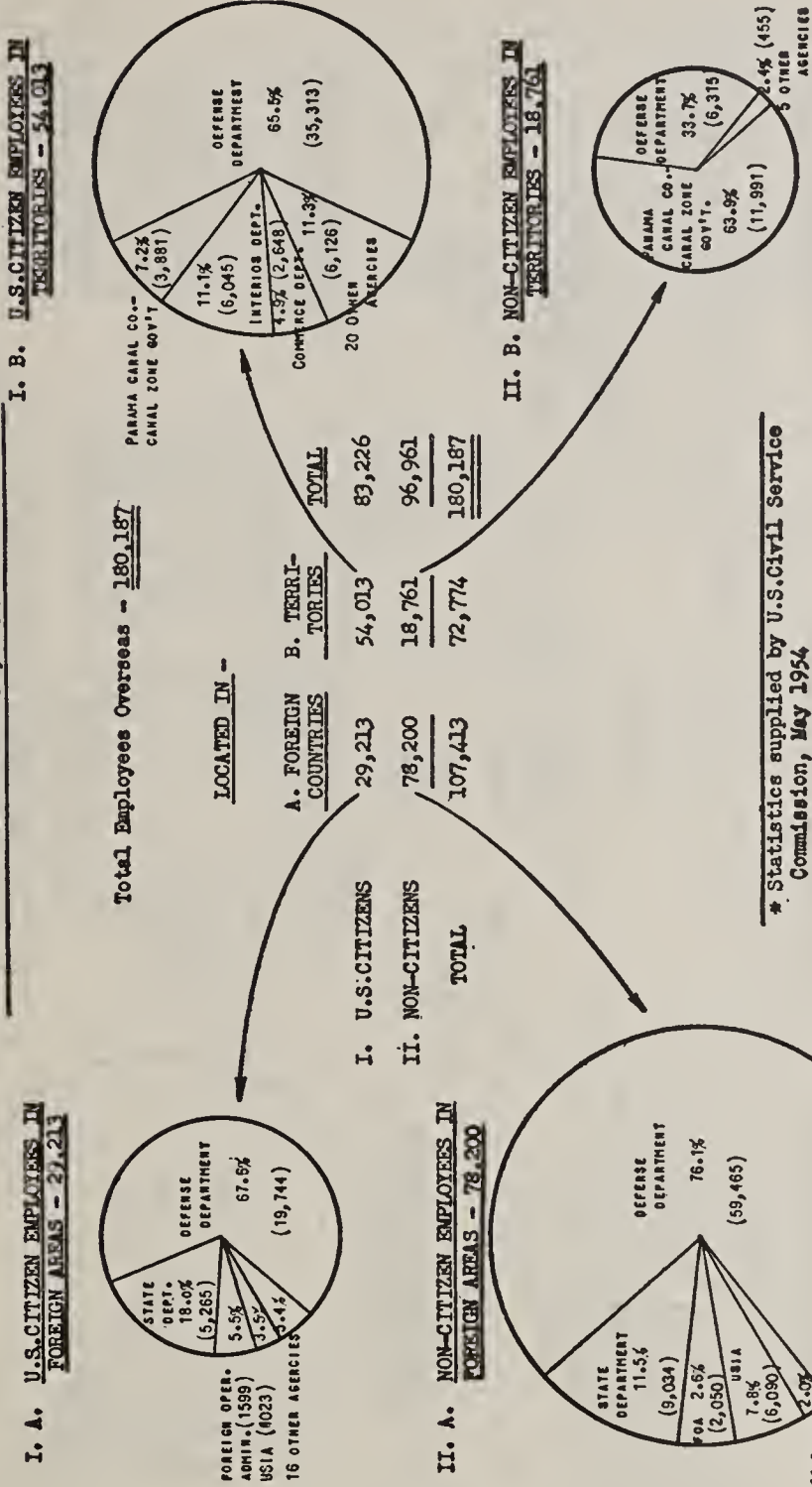
Agency	Territories and possessions					Foreign countries		
	Total (col- umns 2 and 3)	Total United States citiz- ens (col- umns 4 and 5)	Non- citiz- ens	Residence of United States citizens		Total	United States citiz- ens	Non- citiz- ens
				Territory of duty	United States or else- where			
	(1)	(2)	(3)	(4)	(5)			
Total, all agencies.....	72,774	54,013	18,761	31,467	22,546	107,413	29,213	78,200
General Accounting Office.....	4	4	-----	-----	4	39	39	-----
Judicial branch.....	89	89	-----	85	4	-----	-----	-----
State.....	-----	-----	-----	-----	-----	14,299	5,265	9,034
Treasury.....	901	901	-----	833	68	117	88	29
Department of Defense.....	41,628	35,313	6,315	20,822	14,491	79,209	19,744	59,465
Department of the Army.....	14,634	11,242	3,392	6,399	4,843	36,550	12,751	23,799
Department of the Navy.....	19,092	17,757	1,335	12,007	5,750	11,662	1,436	10,226
Department of the Air Force.....	7,902	6,314	1,588	2,416	3,898	30,940	5,500	25,440
Office of the Secretary of Defense.....	-----	-----	-----	-----	-----	57	57	-----
Justice.....	403	403	-----	212	191	114	110	4
Post Office.....	2,362	2,362	-----	2,354	8	-----	-----	-----
Interior.....	6,479	6,045	434	4,597	1,448	182	182	-----
Agriculture.....	762	761	1	549	212	651	540	111
Commerce.....	2,664	2,648	16	682	1,966	305	256	49
Labor.....	51	51	-----	34	17	38	37	1
Health, Education, and Welfare.....	252	249	3	172	77	318	110	208
American Battle Monuments Commission.....	-----	-----	-----	-----	-----	879	69	810
Atomic Energy Commission.....	-----	-----	-----	-----	-----	20	20	-----
Canal Zone Government.....	2,460	1,216	1,244	-----	1,216	-----	-----	-----
Civil Aeronautics Board.....	7	7	-----	-----	7	-----	-----	-----
Civil Service Commission.....	11	11	-----	3	8	-----	-----	-----
Farm Credit Administration.....	9	9	-----	9	-----	-----	-----	-----
Federal Communications Commission.....	26	26	-----	26	-----	-----	-----	-----
Federal Deposit Insurance Corporation.....	1	1	-----	1	-----	-----	-----	-----
Foreign Operations Administration.....	45	44	1	43	1	3,649	1,599	2,050
General Services Administration.....	117	117	-----	69	48	79	64	15
Housing and Home Finance Agency.....	8	8	-----	-----	8	15	14	1
Information Agency.....	22	22	-----	20	2	7,113	1,023	6,090
National Labor Relations Board.....	13,412	2,665	10,747	-----	2,665	8	1	7
Panama Canal Company.....	4	4	-----	2	2	2	2	-----
Reconstruction Finance Corporation.....	200	200	-----	200	-----	-----	-----	-----
Selective Service System.....	-----	-----	-----	-----	-----	2	2	-----
Smithsonian Institution.....	857	857	-----	754	103	374	48	326
Veterans' Administration.....	-----	-----	-----	-----	-----	-----	-----	-----

<sup>1</sup> Breakdown not available. Estimated on basis of June 30, 1953 ratio.

Source: U. S. Civil Service Commission.

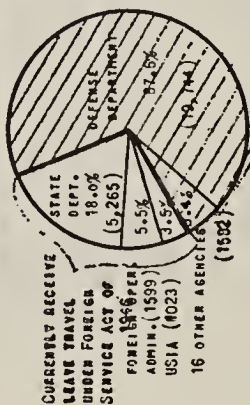
U. S. GOVERNMENT EMPLOYMENT OVERSEAS

By Location, Major Agencies & Citizenship of Employees  
As of March 31, 1954\*

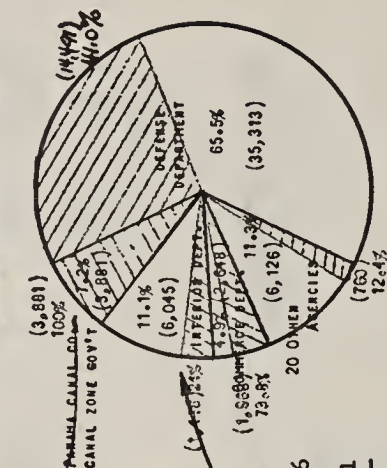


U. S. GOVERNMENT EMPLOYMENT OVERSEAS  
By Location, Major Agencies & Citizenship of Employees  
As of March 31, 1954\*

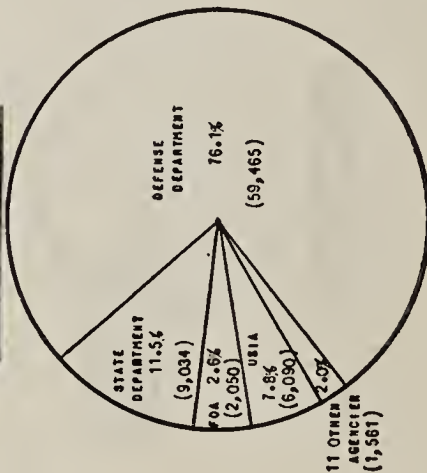
**I. A. U.S.-CITIZEN EMPLOYEES IN FOREIGN AREAS - 29,213**



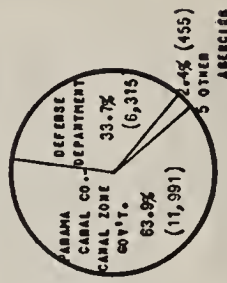
**I. B. U.S.-CITIZEN EMPLOYEES IN TERRITORIES - 54,013**



**II. A. NON-CITIZEN EMPLOYEES IN FOREIGN AREAS - 78,200**



**II. B. NON-CITIZEN EMPLOYEES IN TERRITORIES - 18,761**



PERSONNEL COVERED BY H.R. 179, 83RD CONGRESS - 43,872

IN FOREIGN COUNTRIES 21,326

**Total Employees Overseas - 180,187**

LOCATED IN -

	A. FOREIGN COUNTRIES	B. TERRITORIES	TOTAL
I. U.S.-CITIZENS	29,213	54,013	83,226
II. NON-CITIZENS	78,200	18,761	96,961
<b>TOTAL</b>	<b>107,413</b>	<b>72,774</b>	<b>180,187</b>

PERSONNEL COVERED BY H.R. 179, 83RD CONGRESS - 43,872  
U.S.-CITIZEN EMPLOYEES HIRED IN THE UNITED STATES OF AMERICA  
EXCEPT FOR SERVICE ELSEWHERE OVERSEAS

AGENCY	IN FOREIGN COUNTRIES	IN TERRITORIES	TOTAL
DEFENSE DEPT.	19,744	14,491	34,235
PARAMA CANAL CO.-GOVT	1	3,881	3,882
INTERIOR DEPT.	192	1,448	1,640
COMMERCE DEPT.	256	1,966	2,222
OTHER AGENCIES	1,143	780	1,923
<b>TOTAL</b>	<b>21,326</b>	<b>22,556</b>	<b>43,882</b>

\* Statistics supplied by U.S. Civil Service Commission, May 1954

PERCENT OF TOTAL U.S.-CITIZEN TERRITORIAL EMPLOYEES OF THE AGENCY  
EXCLUDES 7,887 EMPLOYEES OF THE STATE DEPARTMENT, FOIA AND USIA WHO  
PRESENTLY RECEIVE HOME LEAVE TRAVEL UNDER PROVISIONS OF THE  
FOREIGN SERVICE ACT OF 1946.

The Central Labor Union and the Metal Trades Council of the Panama Canal Zone, through its representative, indicated that there are employees of the Canal Zone Government and the Panama Canal Company whose services predate the enactment of Public Law 600, 79th Congress, 1946, and who do not have signed travel agreements. In its opinion these employees would therefore not be covered by the provisions of this bill.

The union representative requested that a statement be contained in the report clarifying the status of these employees. It was the intention of the committee to include these employees, providing they met the requisites set forth in the present law and the provisions of this bill.

#### COMMITTEE ACTION

The committee after considering the subcommittee report agreed with the advisability of the clarifying amendments as proposed by the subcommittee and the amendments were adopted.

It was the decision of the committee that the enactment of this bill, as amended, would be desirable legislation and in the interests of governmental economy and efficiency.

#### CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (matter to be omitted is enclosed in black brackets, new matter is printed in italics, original bill in which no change is made is shown in roman) :

#### PUBLIC LAW 600—79TH CONGRESS

#### CHAPTER 744—2D SESSION

60 Stat. 806

SEC. 7. Appropriations for the Departments shall be available, in accordance with regulations prescribed by the President, for expenses of travel of new appointees, expenses of transportation of their immediate families and expenses of transportation of their household goods and personal effects from places of actual residence at time of appointment to places of employment outside continental United States, and for such expenses on return of employees from their posts of duty outside continental United States to the places of their actual residence at time of assignment to duty outside the United States: *Provided*, That such expenses shall not be allowed new appointees unless and until the person selected for appointment shall agree in writing to remain in the Government service for the twelve months following his appointment, unless separated for reasons beyond his control[.]: *Provided further*, *That expenses of round trip travel of employee and transportation of immediate family but excluding household effects, from their posts of duty outside the continental United States to the places of actual residence at time of appointment or transfer to such overseas posts of duty, shall be allowed in the case of persons who have satisfactorily completed an agreed period of service overseas and are returning to their actual place of residence for the purpose of taking leave prior to serving another tour of duty at the same or some other overseas post, under a new written agreement entered into before departing from the overseas post: Provided further*, *That expenses of transportation of the immediate family and shipment of household effects of any employee from the post of duty of such employee outside continental United States to place of actual residence shall be allowed, not in excess of one time, prior to the return of such employee to the United States, including its*

## 12 AMEND SECTION 7 OF ADMINISTRATIVE EXPENSES ACT OF 1946

*Territories and possessions, when the employee has acquired eligibility for such transportation or when the public interest requires the return of the immediate family for compelling personal reasons of a humanitarian or compassionate nature, such as may involve physical or mental health, death of any member of the immediate family, or obligation imposed by authority or circumstances over which the individual has no control: And provided further, That when an employee returns his immediate family and household goods to the United States, including its Territories and possessions, at his own expense prior to his return and for other than reasons of public interest, the Government shall reimburse him for proper transportation expenses at such time as he acquires eligibility therefor. In case of a violation of such agreement any moneys expended by the United States on account of such travel and transportation shall be considered as a debt due by the individual concerned to the United States. This section shall not apply to appropriations for the Foreign Service, State Department.*

C

Union Calendar No. 745

83<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 179

[Report No. 2096]

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 1953

Mr. RIVERS introduced the following bill; which was referred to the Committee on Government Operations

JULY 8, 1954

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

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## A BILL

To amend section 7 of the Administrative Expenses Act of 1946, as amended.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That section 7 of the Administrative Expenses Act of 1946  
4       (60 Stat. 806; 5 U. S. C. 73b-3), as amended, is further  
5       amended by changing the period at the end thereof of the  
6       first sentence to a colon and adding the following: "*Provided*  
7       *further, That expenses of ~~return~~ round trip travel of employee*  
8       and transportation, ~~including~~ *authorized dependents of im-*  
9       *mediate family* but excluding household effects, from their  
10      posts of duty outside the continental United States to the

1 places of actual residence at time of appointment *or transfer*  
2 to such overseas posts of duty, shall be allowed in the case of  
3 persons who have satisfactorily completed an agreed period  
4 of service overseas and are returning to their actual place  
5 of residence for the purpose of taking leave prior to serving  
6 another tour of duty at the same *or some other* overseas post,  
7 under a new written agreement entered into before depart-  
8 ing from the overseas post: *Provided further*, That expenses  
9 of transportation ~~and~~ of the immediate family and shipment  
10 of household effects of any employee from the post of duty  
11 of such employee outside continental United States to place  
12 of actual residence ~~at time of appointment~~ shall be allowed,  
13 *not in excess of one time*, prior to the return of such employee  
14 to the United States, *including its Territories and possessions*,  
15 when the employee has acquired eligibility for such trans-  
16 portation or when the public interest requires the return  
17 of the ~~dependents~~ *immediate family* for compelling personal  
18 reasons of a humanitarian or compassionate nature, such as  
19 may involve physical or mental health, death of any member  
20 of the immediate family, or obligation imposed by authority  
21 or circumstances over which the individual has no control:  
22 *And provided further*, That when an employee returns his  
23 immediate family and household goods to the United States.  
24 *including its Territories and possessions*, at his own expense  
25 prior to his return and for other than reasons of public

1 interest, the Government shall reimburse him for proper  
2 transportation expenses at such time as he acquires eligibility  
3 *therefor.*”

83<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

**H. R. 179**

[Report No. 2096]

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**A BILL**

To amend section 7 of the Administrative  
Expenses Act of 1946, as amended.

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By Mr. RIVERS

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JANUARY 3, 1953

Referred to the Committee on Government Operations

JULY 8, 1954

Reported with amendments, committed to the Com-  
mittee of the Whole House on the State of the  
Union, and ordered to be printed

Secret	Talle	Westland
Seely-Brown	Teague	Whitten
Selden	Thomas	Wickersham
Sheehan	Thompson,	Widnall
Shelley	Mich.	Wier
Sheppard	Thornberry	Wigglesworth
Sieminski	Tollefson	Williams, Miss.
Sikes	Trimble	Williams, N. J.
Simpson, Ill.	Tuck	Williams, N. Y.
Small	Utt	Wilson, Calif.
Smith, Kans.	Van Pelt	Wilson, Ind.
Smith, Miss.	Van Zandt	Wilson, Tex.
Smith, Va.	Velde	Winstead
Smith, Wis.	Vinson	Withrow
Spence	Vorys	Wolverton
Springer	Vursell	Yates
Staggers	Wainwright	Young
Stauffer	Walter	Younger
Steed	Wampler	Zablocki
Stringfellow	Warburton	
Taber	Watts	

NOT VOTING—87

Albert	Frazier	Perkins
Allen, Ill.	Harris	Pilcher
Angell	Harrison, Va.	Pillion
Baker	Harrison, Wyo.	Powell
Berry	Harvey	Preston
Blatnik	Heller	Rabaut
Bonin	Hillings	Radwan
Bonner	Hinshaw	Regan
Bow	Jensen	Richards
Buckley	Johnson, Calif.	Roberts
Busbey	Judd	Robeson, Va.
Camp	Kee	Roosevelt
Carnahan	Kersten, Wis.	Sadlak
Chatham	Kilday	Scott
Coon	Landrum	Shafer
Cotton	Lanham	Short
Curtis, Nebr.	Long	Shuford
Davis, Tenn.	Lucas	Simpson, Pa.
Dawson, Ill.	Lyle	Sullivan
Dingell	McGregor	Sutton
Dodd	Metcalf	Taylor
Dorn, N. Y.	Miller, Kans.	Thompson, La.
Dowdy	Morano	Thompson, Tex.
Durham	Moulder	Weichel
Elisworth	Norblad	Wharton
Evins	Passman	Wheeler
Fallon	Patman	Willis
Feighan	Patten	Wolcott
Fisher	Patterson	Yorty

So the bill was passed.

The Clerk announced the following pairs:

Mr. Harvey with Mr. Carnahan.  
Mr. Morano with Mr. Fallon.  
Mr. Allen of Illinois with Mr. Metcalf.  
Mr. Short with Mr. Chatham.  
Mr. Simpson of Pennsylvania with Mr. Fisher.  
Mr. Taylor with Mrs. Kee.  
Mr. Baker with Mr. Harrison of Virginia.  
Mr. McGregor with Mr. Roberts.  
Mr. Busbey with Mrs. Sullivan.  
Mr. Sadlak with Mr. Shuford.  
Mr. Shafer with Mr. Thompson of Louisiana.  
Mr. Judd with Mr. Willis.  
Mr. Berry with Mrs. Landrum.  
Mr. Bonin with Mr. Camp.  
Mr. Bow with Mr. Preston.  
Mr. Coon with Mr. Bonner.  
Mr. Norblad with Mr. Lanham.  
Mr. Patterson with Mr. Frazier.  
Mr. Ellsworth with Mr. Moulder.  
Mr. Scott with Mr. Passman.  
Mr. Wolcott with Mr. Perkins.  
Mr. Johnson of California with Mr. Roosevelt.  
Mr. Dorn of New York with Mr. Heller.  
Mr. Curtis of Nebraska with Mr. Buckley.  
Mr. Wharton with Mr. Powell.  
Mr. Hillings with Mr. Dingell.  
Mr. Jensen with Mr. Patman.  
Mr. Pillion with Mr. Pilcher.  
Mr. Radwan with Mr. Long.  
Mr. Harrison of Wyoming with Mr. Lyle.  
Mr. Cotton with Mr. Lucas.  
Mr. Angell with Mr. Regan.  
Mr. Weichel with Mr. Evins.  
Mr. Kersten of Wisconsin with Mr. Harris.  
Mr. Hinshaw with Mr. Dodd.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.  
The doors were opened.

TRADE AGREEMENTS EXTENSION ACT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 470)

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk, and, together with accompanying papers, referred to the Committee on Ways and Means and ordered printed:

To the Congress of the United States:  
Pursuant to the provisions of subsection (b) of section 6 of the Trade Agreements Extension Act of 1951 (65 Stat. 72, 73), I hereby submit to the Congress a report on the inclusion of escape clauses in existing trade agreements.  
This report was prepared for me by the Interdepartmental Committee on Trade Agreements.

DWIGHT D. EISENHOWER.  
THE WHITE HOUSE, July 8, 1954.  
(Enclosure: Report on trade agreement escape clauses.)

AMENDING PART II OF INTERSTATE COMMERCE ACT

Mr. BENNETT of Michigan. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7468) to amend certain provisions of part II of the Interstate Commerce Act so as to authorize regulation, for purposes of safety and protection of the public, of certain motor-carrier transportation between points in foreign countries, insofar as such transportation takes place within the United States, with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.  
The Clerk read the Senate amendment, as follows:  
Page 3, line 1, after "operates", insert "and with the Interstate Commerce Commission."

Mr. PRIEST. Mr. Speaker, reserving the right to object, and I shall not, if I understand, the Senate amendment requires filing with the Interstate Commerce Commission in addition to an agent in each State; is that correct?

Mr. BENNETT of Michigan. That is correct; that is all the amendment does.  
Mr. PRIEST. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?  
There was no objection.  
The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. JAVITS asked and was given permission to address the House for 5 minutes today, following any special orders heretofore entered.

AMENDMENT OF ADMINISTRATIVE EXPENSES ACT OF 1946, AS AMENDED

Mrs. CHURCH. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 179) to amend section 7 of the Administrative Expenses Act of 1946, as amended.

The Clerk read the title of the bill.  
The SPEAKER. Is there objection to the present consideration of the bill?  
There was no objection.

The Clerk read the bill, as follows:  
*Be it enacted, etc.,* That section 7 of the Administrative Expenses Act of 1946 (60 Stat. 806; 5 U. S. C. 73b-3), as amended, is further amended by changing the period at the end thereof to a colon and adding the following: "Provided further, That expenses of return travel and transportation, including authorized dependents but excluding household effects, from their posts of duty outside the continental United States to the places of actual residence at time of appointment to such overseas posts of duty, shall be allowed in the case of persons who have satisfactorily completed an agreed period of service overseas and are returning to their actual place of residence for the purpose of taking leave prior to serving another tour of duty at the same overseas post, under a new written agreement entered into before departing from the overseas post: *Provided further,* That expenses of transportation and of the immediate family and shipment of household effects of any employee from the post of duty of such employee outside continental United States to place of actual residence at time of appointment shall be allowed prior to the return of such employee to the United States when the employee has acquired eligibility for such transportation or when the public interest requires the return of the dependents for compelling personal reasons of a humanitarian or compassionate nature, such as may involve physical or mental health, death of any member of the immediate family, or obligation imposed by authority or circumstance over which the individual has no control: *And provided further,* That when an employee returns his immediate family and household goods to the United States at his own expense prior to his return and for other than reasons of public interest, the Government shall reimburse him for proper transportation expenses at such time as he acquires eligibility."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PLEDGE OF ALLEGIANCE TO THE FLAG

(Mr. COLE of Missouri asked and was given permission to address the House for 1 minute.)

Mr. COLE of Missouri. Mr. Speaker, on June 14, this year, President Eisenhower signed Public Law 396, 83d Congress, a joint resolution that had been adopted by both the House and the Senate without a dissenting vote, which amended the Pledge of Allegiance to our flag, by inserting the words "under God" after the word "Nation." The pertinent part of this law now reads as follows:

SEC. 7. The following is designated as the pledge of allegiance to the flag: "I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one Nation under God, indivisible,

with liberty and justice for all." Such pledge should be rendered by standing with the right hand over the heart. However, civilians will always show full respect to the flag when the pledge is given by merely standing at attention, men removing the headdress. Persons in uniform shall render the military salute.

This is as it should be. Our success as a nation is due to the fact that we are God fearing people, and we should let the world know that our Republic is now, and always has been, on God's side.

Mr. Speaker, as I have had many inquiries from my district regarding the present wording of this new pledge of allegiance to our flag, I am, at my own expense, having reprints made of this speech, in order to make it available to every family in my congressional district.

#### UNEMPLOYMENT COMPENSATION PROGRAM

Mr. LATHAM. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 614 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of H. R. 9709, a bill to extend and improve the unemployment compensation program, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means and except that it shall be in order for any member of the Committee on Ways and Means to offer either or both of the proposed amendments printed in the CONGRESSIONAL RECORD of July 7, 1954, and said amendments shall be in order, any rule of the House to the contrary notwithstanding, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

The SPEAKER. The gentleman from New York is recognized for 1 hour.

Mr. LATHAM. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Virginia [Mr. SMITH], and at this time I yield myself such time as I may consume.

Mr. Speaker, this rule makes in order consideration by the House of the bill, H. R. 9709, and provides for 3 hours of general debate. It is a closed rule. It permits amendments to be offered by the committee, and also two specific amendments which were printed in the RECORD yesterday. Points of order are waived.

The bill, H. R. 9709, is one which will improve and bring up to date, and to maturity, the unemployment insurance

program of this country, which has not been substantially changed or improved in the past 20 years. The main changes or improvements in that program are as follows:

In the first place, it would extend coverage to employers of 4 or more people in any 20 weeks, whereas under the present law it covers only employers of 8 or more within 20 weeks. This would add 1.3 million people to the coverage under this program.

The second changed is that substantially all Federal civilian employees are covered in under the unemployment insurance program.

Third, this bill would extend the merit rating provision benefits to employees based upon a 1-year experience, whereas under the present law it is required that they have 3 years of experience before they are entitled to reductions under the program.

Finally, the quarterly installment provision in the law has been eliminated. The department has found that some 85 percent of the people never took advantage of the quarterly installment provision in any event, and it added considerable or would add under this program considerably to the cost of the administration of the program. That has therefore been eliminated.

This bill was reported out of the Ways and Means Committee, as I understand it, with one dissenting vote. It was based upon the arrangement that at the close of the 3 hours general debate the Members of the House would be given an opportunity to vote on these two specific amendments which have been printed in the RECORD and which, I understand, will be offered by the gentleman from Rhode Island [Mr. FORAND].

Those two amendments, which were not agreed to by the Committee on Ways and Means, if adopted, would for the first time put the Federal Government in the position of dictating to the States the amounts they are to pay in benefits under this program and the number of weeks these benefits would be paid.

This would obviously do violence to the principle that the Federal Government should leave to the States the actual operation of the unemployment insurance program, based upon the very good reason that conditions of labor and employment differ in various States.

There will undoubtedly be opposition to those two amendments. The Members will have an opportunity to vote on them very shortly after the close of the 3 hours general debate.

I hope this resolution will be adopted.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. MADDEN].

(Mr. MADDEN asked and was given permission to revise and extend his remarks.)

Mr. MADDEN. Mr. Speaker, the rule on H. R. 9709 now under consideration, will give the Members of Congress an opportunity to act on much needed Federal legislation which will expand and equalize throughout the various States, our unemployment compensation legislation. Under the rule, it shall be in order to accept amendments offered by direction of the Committee on Ways and

Means and any member of that committee can offer either or both of the proposed amendments which were inserted and printed in the Appendix of today's CONGRESSIONAL RECORD. Furthermore, under the rule, the amendments which I understand will be offered by our colleague, AIME FORAND, of Rhode Island, shall not be subject to further amendment.

The bill as reported out by the majority members of the Ways and Means Committee, does not provide for necessary increased unemployment compensation benefits neither as to amount or as to duration of time. This bill does not comply with the recommendations made by President Eisenhower when he asked that the primary maximum benefits payable in under State unemployment insurance laws should not be less than 66⅔ percent of the State's average weekly wage. The President further said that subject to this maximum, each individual's primary benefit shall not be less than 50 percent of his weekly wages.

The original intention of the supporters of the Social Security Act of 1935 was to provide unemployment compensation payments equal to at least 50 percent of full time weekly wages and up to a maximum of two-thirds of such wages which even at that time was in effect in the compensation laws of a great number of States.

The amendments which will be offered by the minority members of the Ways and Means Committee will also clarify the provisions wherein certain employees have been disqualified from receiving just compensation for personal reasons, misconduct charges, work stoppages, etc. Standards of suitability of work would be spelled out in the proposed amendments along the lines of the standards contained in section 1603 (a) (5) of the Internal Revenue Code. In addition, the amendments would set further general criteria which would have to be taken into account in determining whether the disqualification for refusing or leaving work should be applied. The amendments would further extend the coverage to employers who have one or more individuals in their employ at any time during the taxable year. Furthermore, States would be permitted to provide for uniform rate reductions to all employers as well as individual experience-rated reductions. Further, the proceeds of the Federal unemployment tax will be earmarked in a Federal unemployment insurance account in the Federal Treasury. Such account will be used for paying the Federal and State administrative expenses, including the establishment of a contingency fund and also provide reinsurance grants to certain States which are in financial difficulty because of high rates of unemployment. I am satisfied that after the Members learn during the 3 hours of debate, the provision set out in the Forand amendments, that the same should be adopted.

Satisfactory and expanded unemployment insurance is our greatest barrier against depression. Unemployment insurance will provide purchasing power for millions throughout the country and that in turn, will aid business and help restore normal prosperity generally. In

Page 2, line 12, after "America", insert "(a) all right, title, and interest in and to any and all oil, gas, hydrocarbons, minerals, or other ores, and source of fissionable materials and substance, together with the right to prospect for, mine, extract, and remove the same, and (b)."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BAILEY. Mr. Speaker, reserving the right to object, I would like to have the distinguished gentleman explain these amendments.

Mr. McCONNELL. Mr. Speaker, I will be glad to. Our colleague [Mr. SMALL] of Maryland introduced this bill in April of this year. It is a bill to authorize and direct the conveyance of certain lands to the Board of Education of Prince Georges County, Upper Marlboro, Maryland, so as to permit the construction of public educational facilities urgently required as a result of increased defense and other essential Federal activities in that area.

This bill was considered thoroughly by our committee. The gentleman from Texas [Mr. LUCAS] offered an amendment to strike out the part which reserved to the Federal Government the mineral rights under the land. I spoke to him today, and he informed me that he would not object to the mineral reservation being in this particular bill. He said he would not object to that at this time because of the urgency for action. The school district wants to construct additional facilities. In view of the Senate action, and the need for quick action by the school board, he feels he would not wish to continue his objection. Normally, Mr. Lucas disagrees with the insertion of a provision reserving mineral rights to the Federal Government when ground is sold for a consideration to some purchaser, as in this case, a local board of education. I have talked to the minority leader, and have also talked to the gentleman from North Carolina [Mr. BARDEN], the minority member of our committee, and they have no objection.

Mr. BAILEY. I appreciate having the explanation of the gentleman from Pennsylvania, and I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

#### ADMINISTRATIVE EXPENSES ACT OF 1946

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent that the proceedings whereby the bill (H. R. 179) to amend section 7 of the Administrative Expenses Act of 1946, as amended, was passed be vacated.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 179) to amend section 7 of the Administrative Expenses Act of 1946, as amended.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That section 7 of the Administrative Expenses Act of 1946 (60 Stat. 806; 5 U. S. C. 73b-3), as amended, is further amended by changing the period at the end thereof to a colon and adding the following: "Provided further, That expenses of return travel and transportation, including authorized dependents but excluding household effects, from their posts of duty outside the continental United States to the places of actual residence at time of appointment to such overseas posts of duty, shall be allowed in the case of persons who have satisfactorily completed an agreed period of service overseas and are returning to their actual place of residence for the purpose of taking leave prior to serving another tour of duty at the same overseas post, under a new written agreement entered into before departing from the overseas post: *Provided further,* That expenses of transportation and of the immediate family and shipment of household effects of any employee from the post of duty of such employee outside continental United States to place of actual residence at time of appointment shall be allowed, prior to the return of such employee to the United States, when the employee has acquired eligibility for such transportation or when the public interest requires the return of the dependents for compelling personal reasons of a humanitarian or compassionate nature, such as may involve physical or mental health, death of any member of the immediate family, or obligation imposed by authority or circumstances over which the individual has no control: *And provided further,* That when an employee returns his immediate family and household goods to the United States, at his own expense prior to his return and for other than reasons of public interest, the Government shall reimburse him for proper transportation expenses at such time as he acquires eligibility."

With the following committee amendments:

Page 1, line 5, strike out "thereof" and insert "of the first sentence."

Page 1, line 7, strike out "return" and insert "round trip."

Page 1, line 7, after "travel", insert "of employee."

Page 1, line 8, strike out "including authorized dependents" and insert "of immediate family."

Page 2, line 2, after "appointment", insert "or transfer."

Page 2, line 7, after "same", insert "or some other."

Page 2, line 10, strike out "and."

Page 2, line 13, strike out "at time of appointment."

Page 2, line 14, insert "not in excess of one time."

Page 2, line 15, after "United States", insert "including its Territories and possessions."

Page 2, line 18, strike out "dependents" and insert "immediate family."

Page 2, line 24, after "United States", insert "including its Territories and possessions."

Page 3, line 5, insert "therefor."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### TRANSFER OF CERTAIN PROPERTY OF THE UNITED STATES GOVERNMENT

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 8020) authorizing the transfer of certain property of the United States Government—in Klamath Falls, Oreg.—to the State of Oregon.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. McCORMACK. Mr. Speaker, reserving the right to object, I think the record should show—and I will ask my friend, the gentleman from Michigan, chairman of the committee, if I am not correct—that the Committee on Government Operations unanimously intended that there should be no consideration paid by the county or the political subdivision that will be the beneficiary if this bill becomes law; is that correct?

Mr. HOFFMAN of Michigan. May I say to my very dear and distinguished friend from Massachusetts, for whom I have the greatest admiration and affection, that he is correct.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the General Services Administration be, and is hereby, authorized to transfer to the State of Oregon certain property of the United States Government situated in Klamath Falls, Oreg., and described as follows:

Commencing at the north quarter corner of said section 22, thence, leaving said north quarter corner, south no degrees twenty-one minutes west a distance of one thousand three hundred and forty-three feet to the center line of the county road known as the Joe Wright Road; thence continuing south no degrees twenty-one minutes west a distance of thirty feet to the southerly right-of-way boundary of said county road; thence along said southerly right-of-way boundary, north eighty-nine degrees three minutes west a distance of one hundred fifty-four and six-tenths feet to the true point of beginning; thence leaving said southerly boundary south no degrees twenty-one minutes west, a distance of five hundred and thirty-two feet to a point; thence north eighty-nine degrees three minutes west a distance of two hundred and thirteen feet to a point, thence north no degrees twenty-one minutes east a distance of five hundred and thirty-two feet to said southerly right-of-way boundary; thence along said southerly right-of-way boundary south eighty-nine degrees three minutes east a distance of two hundred and thirteen feet to the true point of beginning and containing an area of two and sixty one-hundredths acres more or less, and shall be conveyed together with all buildings, improvements thereon, and all appurtenances and utilities belonging or appertaining thereto, and the General Services Administration shall execute and deliver in the name of the United States in its behalf any and all contracts, conveyances, or other instruments as may be necessary to effectuate the said trans-

fer: *Provided*, That there shall be reserved to the United States all minerals, including oil and gas, in the lands authorized for conveyance of this section.

There shall be reserved to the United States, in the conveyance of the above-described lands, rights of ingress and egress over roads in the above-described lands serving buildings or other works operated by the United States or its successors or assigns in connection with the Klamath project. There shall be further reserved in said lands all rights-of-way for waterlines, sewer lines, telephone and telegraph lines, powerlines, and such other utilities as now exist, or may become necessary to the operation of said Klamath project.

Such conveyance shall contain a provision that said property shall be used primarily for training of the National Guard or Air National Guard and for other military purposes, and that, if the State of Oregon shall cease to use the property so conveyed for the primary purposes intended, then title thereto shall immediately revert to the United States and, in addition, all improvements made by the State of Oregon during its occupancy shall vest in the United States without payment of compensation therefor.

Such conveyance shall contain the further provision, that whenever the Congress of the United States shall declare a state of war or other national emergency, or the President declares a state of emergency to exist, and upon the determination by the appropriate Secretary that the property so conveyed is useful or necessary for military, air, or naval purposes, or in the interest of national defense, the United States shall have the right, without obligation to make payment of any kind, to reenter upon the property and use the same or any part thereof, including any and all improvements made by the State of Oregon for the duration of such state of war or other national emergency and upon the cessation thereof plus 6 months said property is to revert to the State of Oregon together with any or all facilities and improvements, appurtenances, and utilities thereon or appertaining thereto.

With the following committee amendments:

Page 1, in the title of the bill, strike out "Falls" and insert "County."

Page 1, line 5, strike out "Falls" and insert "County."

Page 1, line 6, after the colon insert "All that portion of SW $\frac{1}{4}$ NW $\frac{1}{4}$  and the SE $\frac{1}{4}$  NW $\frac{1}{4}$  of Section 22, Township 39 South, Range 9 East, Willamette Meridian, Klamath County, Oregon, described as follows."

Page 4, line 13, after "thereto", insert a comma and the following: "other than those hereinabove reserved to the United States."

"SEC. 2. The property herein transferred shall, within the provisions of Title 40, U. S. C. Supp., Chapter 10, titled 'Management and Disposal of Government property,' Subchapter II, Section 484 (k) (2) (D) (40 U. S. C. Supp., 484 (k) (2) (D))."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### SPECIAL ORDERS GRANTED

Mr. PHILLIPS. Mr. Speaker, because of the lateness of the hour and the fact that there is still more business to be transacted, I ask unanimous consent that I may vacate the special order reserved for today and make the same reservation for Monday.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. COOPER. Mr. Speaker, I ask unanimous consent that the special order I have following the gentleman from California may be vacated for today and renewed for Monday next, immediately following the gentleman from California.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

(Mr. VURSELL asked and was given permission to address the House for 15 minutes on Monday next, following any special orders heretofore entered.)

#### CHIEF JOSEPH DAM

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4854) dealing with the construction of the Foster Creek Division of Chief Joseph Dam, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. D'EWART, RHODES of Arizona, HOSMER, ENGLE, and ASPINALL.

#### ESPIONAGE AND SABOTAGE ACT OF 1954

Mr. LATHAM. Mr. Speaker, I call up House resolution (H. Res. 619) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9580) to revise and extend the laws relating to espionage and sabotage, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. LATHAM. Mr. Speaker, I yield 30 minutes to the gentleman from Virginia [Mr. SMITH], and at this time I yield myself such time as I may consume.

Mr. Speaker, this rule makes in order H. R. 9580. The resolution provides for 1 hour of general debate. This is an open rule.

The bill, H. R. 9580, was reported unanimously from the Committee on the Judiciary. While this measure contains quite a few pages, it is a relatively sim-

ple bill. Much of the language in the bill is a repetition of existing law.

Briefly, here is what the bill purports to do. It brings up to date the terminology in our espionage and sabotage statutes, to include what we might call the more modern techniques of war; germ warfare, atom warfare, hydrogen warfare, et cetera. Language is added to the existing law which would make the statute applicable in the more modern phases of war and espionage activity.

It also makes the espionage statutes applicable both in war and in peace. At present the distinction between a wartime and a peacetime state of affairs is rather shadowy. Sometimes it is a very close proposition as to whether we are at war or peace. So it was felt that these statutes should be made applicable in peacetime. Sabotage committed a week before we are in a war might be just as serious as if it were done a week after.

Also, this bill would eliminate the statute of limitations in espionage cases, which is now 10 years. It would make possible the death penalty in these cases, but does not make it mandatory.

The one other thing which this bill purports to do is to make applicable the Alien Registration Act to people who are trained in espionage in foreign countries who come to this country. They would be required under this bill to register as if they were alien agents who are covered under the existing law.

This bill, then, brings up to date, modernizes, and tightens up the laws providing for the internal security of this country.

I trust the resolution will be adopted.

Mr. SMITH of Virginia. Mr. Speaker, I yield 10 minutes to the gentleman from Texas [Mr. DIES].

Mr. DIES. Mr. Speaker, this bill seeks to tighten up existing law with reference to espionage and sabotage. It is on the whole a good bill. However, there is a provision in the bill that I do not quite understand. No doubt the committee will have an explanation for it. That is the provision which will require the registration of those persons who have knowledge of or have received an assignment in the espionage, counterespionage, or sabotage service or tactics of a foreign government or a foreign political party. I doubt very seriously that you can accomplish any good by seeking to require registration of alien saboteurs, or spies, or of alien Communists.

I want at this time to urge the subcommittee to report favorably my bill to outlaw the Communist Party and its various components or subsidiary, auxiliary, and frontal organizations. As I have said upon previous occasions, there is no way to deal effectively with the Communist conspiracy in the United States as long as you recognize its legal entity.

I call your attention to a very significant fact that has been overlooked. When President Roosevelt agreed to recognize the Soviet Union in 1933 he had an agreement with Litvinov, an agreement that was binding on the Soviet Union. Under the terms of that agreement it was agreed "not to permit the formation or residence on its terri-





83<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 179

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IN THE SENATE OF THE UNITED STATES

JULY 9 (legislative day, JULY 2), 1954

Read twice and referred to the Committee on Government Operations

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## AN ACT

To amend section 7 of the Administrative Expenses Act of 1946, as amended.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That section 7 of the Administrative Expenses Act of 1946  
4       (60 Stat. 806; 5 U. S. C. 73b-3), as amended, is further  
5       amended by changing the period at the end of the first  
6       sentence to a colon and adding the following: "*Provided*  
7       *further, That expenses of round trip travel of employee and*  
8       *transportation of immediate family but excluding household*  
9       *effects, from their posts of duty outside the continental United*  
10      States to the places of actual residence at time of appointment  
11      or transfer to such overseas posts of duty, shall be allowed in

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AN ACT

To amend section 7 of the Administrative Expenses Act of 1946, as amended.

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JULY 9 (legislative day, JULY 2), 1954

Read twice and referred to the Committee on Government Operations

Clerk





83D CONGRESS}  
2d Session }

SENATE

{ REPORT  
No. 1944

AMENDING SECTION 7 OF THE  
ADMINISTRATIVE EXPENSES ACT OF 1946,  
AS AMENDED

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REPORT  
OF THE  
COMMITTEE ON GOVERNMENT OPERATIONS  
UNITED STATES SENATE  
EIGHTY-THIRD CONGRESS  
SECOND SESSION  
ON  
H. R. 179  
AN ACT TO AMEND SECTION 7 OF THE ADMINISTRATIVE  
EXPENSES ACT OF 1946, AS AMENDED



JULY 20 (legislative day, JULY 2), 1954.—Ordered to be printed

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## AMENDING SECTION 7 OF THE ADMINISTRATIVE EXPENSES ACT OF 1946, AS AMENDED

JULY 20 (legislative day, JULY 2), 1954.—Ordered to be printed

Mr. McCARTHY, from the Committee on Government Operations,  
submitted the following

### R E P O R T

[To accompany H. R. 179]

The Committee on Government Operations, to whom was referred the bill (H. R. 179) to amend section 7 of the Administrative Expenses Act of 1946, as amended, report favorably thereon, without amendment, and recommend that the bill do pass.

#### PURPOSE

The bill would grant authority to pay travel expenses of certain civilian employees stationed overseas and of their immediate families in connection with taking periodic leaves of absence in the United States. It would also provide specific statutory authority for the return of the immediate families and the household goods of employees prior to the return of such employees, under certain circumstances.

The first proviso of H. R. 179 would supply the statutory authority which the Comptroller General has held is necessary for travel at Government expense for home leave.

The first part of the second proviso of H. R. 179 would authorize transportation of an employee's family and household goods from his overseas post when he has acquired eligibility for such transportation, even though the employee does not return himself. The second part of the proviso would provide authority for the payment of such expenses in instances involving humanitarian considerations, before an employee has completed the period of service required to become eligible for return transportation.

The third proviso would authorize the Government to reimburse an employee when he becomes eligible for such transportation for expenses he has incurred in returning his family and household goods to his place of residence, before he is eligible for such transportation and when no humanitarian considerations are involved.

The Department of Defense, which is the major agency affected by the provisions of the bill, states that, if enacted, H. R. 179 will contribute materially to more effective overseas operations and would establish clear statutory standards which are highly desirable. The amendments to the original bill approved by the House of Representatives were proposed by the Department of Defense, the General Accounting Office, and the Civil Service Commission, all of which agencies have endorsed the bill, as amended.

#### BACKGROUND

Section 7 of the Administrative Expenses Act of 1946 was originally enacted to provide general and standard authority for transporting personnel, their household goods and dependents to overseas posts of duty and return therefrom upon completion of assignments. This authority consolidated and superseded a number of specific legislative authorizations for such transportation expenses which had been enacted for individual agencies over a period of years. The basic statute has been amended once, in Public Law 830, 81st Congress, to clarify the authority to pay return transportation expenses upon completion of an agreed period of overseas service.

Prior to 1949, the military departments (apparently in common with most Federal agencies) had considered that this statute conferred sufficient authority to permit employees and their immediate families to return to the United States for leave purposes upon completion of an agreed employment period, and also to provide transportation to dependents whenever personal reasons made it necessary for them to return to the United States in advance of the employee. The Comptroller General had specifically considered and approved the practice of returning employees for leave purposes, both under authority contained in prior statutes (decisions dated July 11, 1946 (B-58788) and November 15, 1946 (B-61290) to the Secretaries of the Navy and War, respectively) and under the Administrative Expenses Act of 1946 (28 Comp. Gen. 168).

Administrative practices with regard to advance return of dependents have followed a similar course. Although there had been no formal interpretation of the statute on the point, the military departments had authorized such transportation, providing the employee had completed his agreed period of employment or agreed to remain for that period unless separated for reasons beyond his control.

The Comptroller General held, however, in 1949, in two decisions, B-84159 to the Secretary of Agriculture, and B-86698 to the Administrator of Veterans' Affairs, that there was nothing in the provisions of section 7, Public Law 600, or in its legislative history, which reasonably may be construed as authorizing the return of career employees to the United States at Government expense solely for the purpose of taking leave. The Comptroller General stated in those decisions that with respect to future overseas assignments or transfers,

the return travel and transportation expenses of employees from foreign duty posts for purposes of taking leave may not be authorized in the absence of specific statutory authority.

In a decision of August 16, 1951, B-104200, it was pointed out that section 7 of Public Law 600, as amended by Public Law 830, September 23, 1950, authorized the return travel and transportation expenses only upon "separation," thereby specifically precluding the payment of such expenses for the return of any employee for the sole purpose of taking leave.

Following the above decisions, the Department of Defense engaged in further discussion and correspondence with the Comptroller General on the subject of advance return of dependents. As a result, two decisions have been rendered (June 25, 1952 (B-108678) and September 26, 1952 (B-108678)) which substantially reverse the previous decisions. On the basis of the amendment contained in Public Law 830, it is now held that dependents and household goods may be returned in advance of the employee at Government expense at any time after he has completed his agreed tour of duty and has otherwise become entitled to return transportation; in addition, where compelling personal circumstances require that dependents be returned before the employee becomes entitled to transportation at Government expense, the employee may be reimbursed for the expenses incurred in such return upon completion of his agreed period of service. It will be seen, therefore, that existing law has been construed as permitting substantially all that the last two provisos of the bill would accomplish. The only difference lies in the fact that in those cases where dependents are returned "for compelling personal reasons of a humanitarian or compassionate nature" prior to completion of an agreed tour of duty, the employee must bear the expense of such return subject to reimbursement upon becoming eligible for return transportation at Government expense. The Department of Defense states that it would be highly desirable to have the added authority to meet that situation without the hardships or inconvenience which might face some employees in returning their families from distant overseas posts, although it is reported that the recent decisions of the Comptroller General have satisfied the vast majority of problem cases which previously faced military departments.

#### ESTIMATED SAVINGS

It is estimated that enactment of H. R. 179 will result in a net annual saving of \$2,864,000 to the Department of Defense. A table indicating the basis for this estimate has been reproduced at page 6 of House Report No. 2096, 83d Congress. In summary, it is believed that turnover of personnel would be reduced by 4,625 per year and that this would reduce recruitment costs by \$1,029,000 and transportation expenses by \$1,839,000. The latter figure represents costs currently being incurred in the shipment of household goods from the overseas station to the United States at the end of an employment contract period. It also includes the cost of returning household goods to the overseas station if the individual is reemployed or replaced by a new recruit.

The Bureau of the Budget also submitted a chart to the House Committee on Government Operations which, based on data supplied by the Department of the Army and applying the same ratio of esti-

mated savings to employees of other agencies, indicated that a total of 43,872 overseas employees would be affected by the provisions of the bill, and that total savings of \$4,054,000 would result from its enactment.

#### AGENCY COMMENTS

The Department of Defense strongly urges the enactment of H. R. 179 as amended in the House of Representatives. In a letter to the chairman of this committee, dated July 15, 1954, the Acting Secretary of the Army submitted the views of the Department of Defense, substantiating the facts set forth above, from which the following is quoted:

The matter of authorizing travel for leave purposes remains a very difficult one since there has been no relaxation of the decisions which prohibit such travel at Government expense. That is not to say, however, that the Government has saved the expense of providing transportation for leave purposes. Under present law, employees have a vested right to return transportation upon satisfactory completion of a fixed tour of duty. Normally, the departments would be amenable to granting a period of leave for return to the United States at that time. The decisions prohibiting leave travel do not and cannot negate the right to return travel upon separation from the service. Consequently, the employee resigns his position in order to return home, even though he may fully intend to perform another period of service in the same overseas area. This entails a sizable administrative burden, even if the employee later reenters employment, since the paper processes of separation, final salary payment, tax adjustments on lump-sum leave payment, reappointment, security clearances, etc., must be followed. In other cases, the employee's services are lost entirely and the departments must then resort to recruitment, transportation, and orientation of a new person—at greatly increased expense to the Government.

The Acting Comptroller General of the United States also endorsed the bill, as amended, in a letter addressed to the chairman, under date of July 14, 1954, stating that it would "clarify any doubts previously expressed by this Office" as contained in the decisions referred to in this report. In regard to the benefits that would accrue through its enactment, the Acting Comptroller General commented as follows:

I do not believe that this legislation will result in any additional cost to the Government. Your attention is invited to page 6 of the House report where it is estimated that the total savings would be \$4,054,000. I would like to present just one illustration of how the enactment of H. R. 179 would be desirable in the administration of the General Accounting Office. An investigator, now stationed in Paris, France, will soon complete his 2-year period overseas and will be entitled to be returned at Government expense, together with his family and household effects. I feel reasonably sure that the investigator would spend another period overseas if he and his family could be returned to the United States at Government expense for a period of leave. This would relieve the Government of the expense of returning his household effects and of the expense of shipping the household effects of another investigator overseas. In this one case the expense of the 2 shipments of household effects is estimated to be at least \$1,400, which could be saved if the employee could be granted home leave at Government expense.

A representative of the Bureau of the Budget appeared before the House Committee on Government Operations in support of H. R. 179 and in behalf of the amendments approved by the House of Representatives. The chairman of this committee has also received a letter from the Assistant Director of the Bureau of the Budget in support of the bill, stating that it would not only provide a greater uniformity of treatment of Federal employees overseas, but would also result in saving at least a portion of the present expenditures for recruiting and training replacements, and that it is in accord with the program of the President.

The Panama Canal Company, and the Central Labor Union and the Metal Trades Council of the Panama Canal Zone, through their representatives, indicated that there are employees of the Canal Zone Government and the Panama Canal Company whose services predate the enactment of Public Law 600, 79th Congress, 1946, and who do not have signed travel agreements, and requested that a statement be contained in the report clarifying their status. Although no retroactive benefits will accrue to these or other employees through the enactment of the pending bill, it is intended that these employees would be entitled to the same benefits as would other Federal employees assigned to an overseas post, provided they meet the requisites set forth in existing law and the provisions of this bill.

#### CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill (H. R. 179), as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

#### PUBLIC LAW 600—79TH CONGRESS

#### CHAPTER 744—2D SESSION

60 Stat. 806

SEC. 7. Appropriations for the Departments shall be available, in accordance with regulations prescribed by the President, for expenses of travel of new appointees, expenses of transportation of their immediate families and expenses of transportation of their household goods and personal effects from places of actual residence at time of appointment to places of employment outside continental United States, and for such expenses on return of employees from their posts of duty outside continental United States to the places of their actual residence at time of assignment to duty outside the United States: *Provided*, That such expenses of travel and transportation to posts of duty outside the continental United States shall not be allowed unless and until the person selected for appointment shall agree in writing to remain in the Government service for twelve months following his appointment, unless separated for reasons beyond his control and acceptable to the department or agency concerned and in case of violation of such agreement any moneys expended by the United States on account of such travel and transportation shall be recoverable from the individual concerned as a debt due the United States: *And provided further*, That expenses of return travel and transportation upon separation from the service shall be allowed whether such separation is for the purposes of the Government or for personal convenience, but shall not be allowed unless such persons selected for appointment outside the continental United States shall have served for a minimum period of not less than one nor more than three years prescribed in advance by the head of the department or agency concerned or unless separation is for reasons beyond the control of the individual and acceptable to the department or agency concerned[.]: *Provided further*, That expenses of round trip travel of employee and transportation of immediate family but excluding household effects, from their posts of duty outside the continental United States to the places of actual residence at time of appointment or transfer to such overseas posts of duty, shall be allowed in the case of persons who have satisfactorily completed an agreed period of service overseas and are returning to their actual place of residence for the purpose of taking leave prior to serving another tour of duty at the same or some other overseas post, under a new written agreement entered into before departing from the overseas post: *Provided further*, That expenses of transportation of the immediate family and shipment of household effects of any employee from the post of duty of such employee outside continental United States to place of actual residence shall be allowed, not in excess of one time, prior to the return of such employee to the United States, including its Territories and possessions, when the employee has acquired eligibility for such trans-

6 AMEND SECTION 7 OF ADMINISTRATIVE EXPENSES ACT, AS AMENDED

*portation or when the public interest requires the return of the immediate family for compelling personal reasons of a humanitarian or compassionate nature, such as may involve physical or mental health, death of any member of the immediate family, or obligation imposed by authority or circumstances over which the individual has no control: And provided further, That when an employee returns his immediate family and household goods to the United States, including its Territories and possessions, at his own expense prior to his return and for other than reasons of public interest, the Government shall reimburse him for proper transportation expenses at such time as he acquires eligibility therefor. This section shall not apply to appropriations for the Foreign Service, State Department.*



Calendar No. 1960

83<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 179

[Report No. 1944]

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## IN THE SENATE OF THE UNITED STATES

JULY 9 (legislative day, JULY 2), 1954

Read twice and referred to the Committee on Government Operations

JULY 20 (legislative day, JULY 2), 1954

Reported by Mr. McCARTHY, without amendment

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## AN ACT

To amend section 7 of the Administrative Expenses Act of 1946, as amended.

1     *Be it enacted by the Senate and House of Representa-*  
2     *tives of the United States of America in Congress assembled,*  
3     That section 7 of the Administrative Expenses Act of 1946  
4     (60 Stat. 806; 5 U. S. C. 73b-3), as amended, is further  
5     amended by changing the period at the end of the first  
6     sentence to a colon and adding the following: "*Provided*  
7     *further,* That expenses of round trip travel of employee and  
8     transportation of immediate family but excluding household  
9     effects, from their posts of duty outside the continental United  
10    State to the places of actual residence at time of appointment  
11    or transfer to such overseas posts of duty, shall be allowed in

1 the case of persons who have satisfactorily completed an  
2 agreed period of service overseas and are returning to their  
3 actual place of residence for the purpose of taking leave prior  
4 to serving another tour of duty at the same or some other  
5 overseas post, under a new written agreement entered into  
6 before departing from the overseas post: *Provided further,*  
7 That expenses of transportation of the immediate family and  
8 shipment of household effects of any employee from the  
9 post of duty of such employee outside continental United  
10 States to place of actual residence shall be allowed, not  
11 in excess of one time, prior to the return of such employee  
12 to the United States, including its Territories and posses-  
13 sions, when the employee has acquired eligibility for such  
14 transportation or when the public interest requires the  
15 return of the immediate family for compelling personal  
16 reasons of a humanitarian or compassionate nature, such as  
17 may involve physical or mental health, death of any member  
18 of the immediate family, or obligation imposed by authority  
19 or circumstances over which the individual has no control:  
20 *And provided further,* That when an employee returns his  
21 immediate family and household goods to the United States,  
22 including its Territories and possessions, at his own expense  
23 prior to his return and for other than reasons of public

1 interest, the Government shall reimburse him for proper  
2 transportation expenses at such time as he acquires eligibility  
3 therefor.”

Passed the House of Representatives July 8, 1954.

Attest:

LYLE O. SNADER,

*Clerk.*

83d CONGRESS  
2d Session

**H. R. 179**

[Report No. 1944]

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**AN ACT**

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To amend section 7 of the Administrative Expenses Act of 1946, as amended.

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JULY 9 (legislative day, JULY 2), 1954

Read twice and referred to the Committee on  
Government Operations

JULY 20 (legislative day, JULY 2), 1954

Reported without amendment





# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued August 19, 1954

For actions of August 18, 1954

83rd-2nd, No. 161

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

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HIGHLIGHTS: Senate passed bill to increase CCC borrowing power, and House concurred in amendment re mangoes imports. Senate agreed to conference report on supplemental appropriation bill and acted on amendments in disagreement. Senators criticized drought-relief administration. Senate debated Federal pay raise. Senate passed plant patenting bill. Senate passed bill permitting long-term leases of forest lands. Senate committee reported bill to codify food-drug laws. House agreed to conference report on fringe-benefits personnel bill. House concurred in Senate amendments to flood control bill. House concurred in Senate amendments to unemployment compensation bill. Reps. Whitten and Burdick criticized farm program bill. Rep. Hope inserted President's statement when signing water facilities bill. Sen. Fulbright inserted Democratic Digest article on farm program. Conferees agreed to file report on foreign-aid appropriation bill. Rep. Brown (Ga.) urged drought relief for Ga. Rep. Polk criticized agricultural advisory committees.

## SENATE

1. COMMODITY CREDIT CORPORATION. Passed H. R. 9756, to increase the borrowing power of CCC from \$8½ billion to \$10 billion, with an amendment by Sen. Holland to add mangoes to the provision in the farm program bill which would require that certain imported fruits and vegetables comply with the standards of domestic marketing orders (pp. 14208-9). The House concurred in the amendment (p. 14179). This bill will now be sent to the President.
2. SUPPLEMENTAL APPROPRIATION BILL, 1955. Agreed to the conference report on this bill, H. R. 9936. Concurred in the House amendments, to Senate amendments, mentioned in Digest 160. Sen. Kefauver criticized plans to move headquarters of the Civil Defense Administration to Mich. (pp. 14213-23.) This bill will now be sent to the President.

3. PATENTS. Passed without amendment H. R. 5420, providing that a patent may be obtained on cultivated sports, mutants, hybrids, and newly found seedling plants (p. 14229). This bill will now be sent to the President.

Discussed and, on objection of Sen. Gore, passed over H. R. 3534, to authorize extension of patents covering inventions whose practice was prevented or curtailed during certain emergency periods (pp. 14255-6).

4. FORESTRY. Passed with amendment H. R. 1254, to permit 30-year leases of national forest and certain other Federal lands for public purposes (pp. 14227-8).

5. TRAVEL; TRANSPORTATION. Passed without amendment H. R. 179, which authorizes pay of travel expenses of certain civilian employees stationed outside continental U. S. and their immediate families in connection with taking periodic leaves of absence in the U. S., authorizes return of the immediate families and household goods of employees prior to the return of the employees under certain circumstances, etc. (p. 14229). This bill will now be sent to the President.

6. PERSONNEL. Passed without amendment H. R. 7785, to amend the Civil Service Retirement Act so as to make permanent the increases in regular annuities provided by the act of 1952, and to extend such increases to additional annuities purchased by voluntary contributions (p. 14247). This bill will now be sent to the President.

Concurred in a House amendment to S. 3627, to amend the Civil Service Retirement Act so as to require an employee to complete 1 year of creditable civilian service subject to the Act within the 2-year period preceding separation in order to establish title to his annuity from the civil service retirement and disability fund (p. 14306). This bill will now be sent to the President.

During debate on H. R. 2235, a reclamation bill, Sen. Johnston offered an amendment/the committee substitute for H. R. 7774 (the incentive-awards bill), which would grant a 5% Federal pay raise. The Johnston amendment was rejected, 47 to 30. (pp. 14292-8.)

During calendar call, discussed the committee provisions (as amendments to H. R. 7774) for a Federal pay raise and the Knowland amendments (which were printed in the Record) to provide a 3½% pay raise for classified employees and increases in postal rates. No action was taken on the amendments, but it was indicated that they would be formally considered later. (pp. 14230-1, 14249-55.)

The Post Office and Civil Service Committee reported without amendment H. R. 1553, to amend the Civil Service Retirement Act so as to provide for the inclusion in the computation of accredited service of certain periods of service rendered to States or instrumentalities of States (S. Rept. 2494)(p. 14201).

The Committee also reported S. Con. Res. 105, "to express the sense of the Congress on excusing Government employees from work on the afternoon of August 31, 1954, to attend the parade of the American Legion in the District of Columbia" (S. Rept. 2495)(p. 14201).

7. LAW REVISION. The Judiciary Committee reported with amendments bills to codify titles of the U. S. Code and enact them into positive law, as follows: H. R. 9728, title 21, regarding food, drugs, and animal-plant diseases (S. Rept. 2496); H. R. 9729, title 13, "Census" (S. Rept. 2497); and H. R. 9730, corrections of various obsolete references (S. Rept. 2498)(p. 14201).

8. DROUGHT RELIEF. Various Senators criticized USDA administration of the drought-relief program (pp. 14266-70, 14277-82).

9. FARM LABOR. Passed without amendment S. 3813, to permit immigration of certain

The PRESIDING OFFICER. The resolution will be passed over.

The bill (S. 1737) for the relief of certain former employees of the Inland Waterways Corp. was announced as next in order.

Mr. GORE. Over.

Mr. HENDRICKSON. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3166) for the relief of the city of Sandpoint, Idaho, was announced as next in order.

Mr. MORSE. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3214) for the relief of Mrs. Marie Monchen was announced as next in order.

Mr. HENDRICKSON. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 1370) for the relief of Guy H. Davant was announced as next in order.

Mr. GORE. Over.

The PRESIDING OFFICER. The bill will be passed over.

#### CLARENCE D. NEWLAND

The Senate proceeded to consider the bill (H. R. 2032) for the relief of Clarence D. Newland, which had been reported from the Committee on the Judiciary with an amendment, on page 2, line 16, after the word "act", to strike out "in excess of 10 percent thereof."

The amendment was agreed to

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

#### BILL PASSED OVER

The bill (H. R. 3222) for the relief of Martin Luther Johnson was announced as next in order.

Mr. GORE. Over.

The PRESIDING OFFICER. The bill will be passed over.

#### DAVID W. WALLACE

The bill (H. R. 4638) for the relief of David W. Wallace was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 9, after the word "act", to strike out "in excess of 10 percent thereof."

Mr. McCARRAN. Mr. President, as I heard the bill read, did I correctly understand that attorneys' fees are allowed?

The PRESIDING OFFICER. As amended, the bill provides for no attorneys' fees.

Mr. McCARRAN. I thank the Presiding Officer.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

#### AMENDMENT OF UNITED STATES CODE RELATING TO PATENTING OF PLANTS

The bill (H. R. 5420) to amend section 161, title 35, United States Code, relating to the patenting of plants was considered, ordered to a third reading, read the third time, and passed.

#### BILL PASSED OVER

The bill (S. 3305) to authorize payment of certain war claims including payment of veterans' claims arising out of the sequestration by the Imperial Japanese Government of credits of members of the military and naval forces of the United States and other United States nationals in the Philippines was announced as next in order.

Mr. GORE. Over.

The PRESIDING OFFICER. The bill will be passed over.

#### TRAVEL EXPENSES OF CIVILIAN EMPLOYEES STATIONED OVERSEAS

The bill (H. R. 179) to amend section 7 of the Administrative Expenses Act of 1946, as amended, was considered, ordered to a third reading, read the third time, and passed.

#### BILL PASSED OVER

The bill (S. 3517) to amend section 144 of title 28 of the United States Code was announced as next in order.

Mr. GORE. Over.

The PRESIDING OFFICER. The bill will be passed over.

#### PAYMENT OF TAXES ON REAL PROPERTY TRANSFERRED FROM GOVERNMENT CORPORATIONS—BILL PASSED OVER

The bill (H. R. 5605) to amend the Federal Property and Administrative Services Act of 1949, to provide for payment of taxes or payment in lieu of taxes with respect to real property transferred from Government corporations to other agencies of the Federal Government was announced as next in order.

Mr. GORE. Mr. President, may we have an explanation of the bill?

Mr. SALTONSTALL. Mr. President, broadly speaking, a very brief explanation of the bill is that when a plant is located in a city and is operated by a division of the Department of Defense, such as the Department of the Air Force, the locality loses its right to taxes. There is such a plant in Everett, Mass., which is operated by the General Electric Co. When it was operated by the RFC, the city of Everett collected taxes on it. The RFC gave up the plant, it was transferred to the Department of

the Air Force, and it is now being operated by the General Electric Co. under contract with the Department of the Air Force. As a result of the transfer, the city has lost the right to tax the plant.

I have for several years joined in introducing bills to cover such situations. It is my understanding that the Defense Department, the Treasury Department, and the Bureau of the Budget object to bills of this character. I am informed that there are 93 similar instances throughout the United States.

I address a question to the distinguished Senator from Tennessee. I ask him if his objection is based on the fact that the Department of Defense does not like this type of bill and objects to the present method of dealing with such situations, which is a hardship on localities?

Mr. GORE. In reply to the able senior Senator from Massachusetts, I advise him that I believe the bill has a great deal of merit. I am not in sympathy with the situation which it seeks to relieve. I have no objection to the merits of the bill as such. I believe I would favor the passage of such a bill. However, as the able Senator has stated, since there are 93 instances parallel to this situation, and since it is a matter of considerable importance, and is general legislation which is objected to by the Department of Defense, I have serious reservations as to the advisability of passing such a far-reaching and important bill on the call of the calendar, because it is not possible to have adequate debate and consideration.

Mr. SALTONSTALL. I concede the force of the distinguished Senator's objection. My only observation is that it is unfortunate that the bill should come up at such a late date in the session.

Mr. GORE. I agree. The junior Senator from Massachusetts is likewise very much interested in the bill. I shall be glad to join the distinguished Senators from Massachusetts in a request to the majority leader to schedule the bill for consideration.

Mr. SALTONSTALL. I thank the Senator.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I am happy to yield, if I have the floor.

Mr. MORSE. Mr. President, the bill deserves considerable discussion on the floor of the Senate. We cannot possibly discuss the policy involved in this bill and all the implications of that policy in a short time on the floor of the Senate. I am open-minded about it, and if I can be convinced that this is a sound bill, I shall change my present position.

However, what we would be doing would be to open the whole question of whether to give communities in which the Government locates defense and military installations the right to collect taxes from the Defense Department. That is what it amounts to. When I think of all the interest in Congress with respect to getting military installations located in various localities of the country, I believe we would be adopting a very unsound public policy if we were to have

the Government pay taxes for the privilege of locating such an installation within a locality.

I am sure that the city of Everett, Mass., has not lost so much as one cent by the location of this installation there. To the contrary, I believe the establishment has poured into the treasury of the city of Everett great sums of money which never would have gone into its treasury if the plant had not been located there.

Unless we could have a thorough discussion of the policy, which, as has already been brought out by the Senator from Massachusetts, is opposed by the Bureau of the Budget, I certainly would not agree to have it passed on the call of the calendar; nor would I, under terrific pressure for shortening debate in the dying days of the session, be willing to have such a bill considered under any agreement to limit debate.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. MORSE. I object.

The PRESIDING OFFICER. Objection is heard—

Mr. BUSH. Mr. President, will the Senator from Oregon withhold his objection for a moment?

Mr. MORSE. I withhold it.

Mr. BUSH. I wish to speak strongly in support of the statement of the Senator from Massachusetts with reference to this bill. In response to the observations of the Senator from Oregon, I will say that in one town in my State certain property is subject to taxation which amounts to \$68 million, and the property exempt from taxation because it belongs to the Government amounts to more than \$80 million.

As I recall, this bill was introduced in the early part of 1953. I do not know what has happened to it. I testified on it last year in hearings held on it. I am greatly distressed that it is to be held up and not passed this year. It involves a very important matter, and it has been kicking around for a year and a half.

Mr. GORE. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. I yield.

Mr. GORE. I am advised that the senior Senator from Missouri [Mr. HENNING] wishes to join in requesting the majority leader to schedule the bill for consideration.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

Mr. MORSE. Mr. President, I shall withhold my objection for a moment.

Mr. IVES. Mr. President, I happen to live in one of the States which has a number of communities affected in the same way as the communities which have been referred to by the Senator from Massachusetts and the Senator from Connecticut. I should like very much to see the bill pass. I only hope we can have an opportunity to pass it before we adjourn.

Mr. HUMPHREY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oregon withhold his objection in order that the Senator from Minnesota may make a statement?

Mr. MORSE. Yes.

Mr. HUMPHREY. Mr. President, during the time I have been a member of the Committee on Government Operations it has been my privilege to participate in some of the hearings held on this measure. Last year I served on the President's Commission on Intergovernmental Relations. At the present time the Commission on Intergovernmental Relations is giving very careful study to the entire subject of payments in lieu of taxes by the Federal Government to localities and political subdivisions of States. This question will be the subject of discussion the coming weekend before that Commission. I happen to be in agreement with the statement of the necessity for action being taken with reference to this subject. There are literally hundreds of communities in the United States which today are seeing their tax base eaten away, so to speak, because of the immunity of the Federal Government from any local taxation or revenue-raising ordinances of States. While I realize that this is a question which requires considerable discussion, I think it should be crystal clear that for more than 5 years there have been bills on the calendar and before committees to approach a solution of this very urgent and pressing problem. I join with Senators who think the bill should be brought up again at this session, because we should take some action on it.

The PRESIDING OFFICER. The Chair understands that the Senator from Oregon [Mr. MORSE] renews his objection.

Mr. MORSE. I think it is very good policy, in the closing hours of the session, to take the stand which I have suggested.

Mr. CASE. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. CASE. Is it not true that this bill would deal only with a segment of the problem, namely, property transferred from Government corporations, and would not reach the whole field of federally owned real estate, much of which is acquired by purchase or condemnation?

Mr. MORSE. The answer is that I do not know. That is one of the reasons why I think we should have a debate on the bill rather than try to handle the subject on a calendar call within 5 minutes.

Mrs. SMITH of Maine. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mrs. SMITH of Maine. The Senator from Maine advises the Senator from South Dakota that he is correct in his explanation of the bill.

Mr. MORSE. Mr. President, I object.

The PRESIDING OFFICER. The bill will be passed over.

#### TRUST ASSOCIATION OF H. KEMPNER—BILL PLACED AT FOOT OF CALENDAR

The bill (H. R. 951) for the relief of the trust association of H. Kempner was announced as next in order.

Mr. COOPER. Mr. President, I ask unanimous consent that this bill be passed to the foot of the calendar.

The PRESIDING OFFICER. Without objection the bill will be placed at the foot of the calendar.

#### BILLS PASSED OVER

The bill (S. 3423) to amend the Trading With the Enemy Act was announced as next in order.

Mr. GORE. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1555) to authorize the Secretary of the Interior to construct, operate, and maintain the Colorado River storage project and participating projects, and for other purposes was announced as next in order.

Mr. HENDRICKSON. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

#### AVAILABILITY OF CERTAIN FUNDS TO THE COMMITTEE ON GOVERNMENT OPERATIONS—RESOLUTION PASSED OVER

The resolution (S. Res. 288) to make certain funds available to the Committee on Government Operations, was announced as next in order.

Mr. McCARRAN. Over.

Mr. GORE. Mr. President, will the Senator from Nevada withhold his objection for a moment?

Mr. McCARRAN. Yes.

Mr. GORE. Mr. President, at the last call of the calendar I registered an objection to this resolution by request.

Personally, I am strongly in favor of appropriating sufficient funds for the committee to make its investigation. I want the RECORD to show that my previous objection was upon request and in performance of my duty as a member of the calendar committee, and was not a reflection of my own position with respect thereto.

Mr. McCARRAN. Over.

The PRESIDING OFFICER. The resolution will be passed over.

#### BILL PASSED OVER

The bill (H. R. 5407) to amend sec. 2879 (b) of the Internal Revenue Code was announced as next in order.

Mr. HENDRICKSON. Over.

Mr. COOPER. Mr. President, I ask unanimous consent that the bill be placed at the foot of the calendar.

Mr. IVES. Mr. President, I object. If the bill is to be considered, I have some substantial amendments to it which I should like to discuss.

The PRESIDING OFFICER. The bill will be passed over.

#### UNIFORM SYSTEM OF GRANTING INCENTIVE AWARDS—BILL PLACED AT FOOT OF CALENDAR

The bill (H. R. 7774) to establish a uniform system for the granting of incentive awards to officers and employees of the United States, and for other purposes, was announced as next in order.

Mr. KNOWLAND. Mr. President, reserving the right to object, I have sent





Public Law 737 - 83d Congress  
Chapter 1155 - 2d Session  
H. R. 179

AN ACT

To amend section 7 of the Administrative Expenses Act of 1946, as amended.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 7 of the Administrative Expenses Act of 1946 (60 Stat. 806; 5 U. S. C. 73b-3), as amended, is further amended by changing the period at the end of the first sentence to a colon and adding the following: "*Provided further*, That expenses of round trip travel of employee and transportation of immediate family but excluding household effects, from their posts of duty outside the continental United States to the places of actual residence at time of appointment or transfer to such overseas posts of duty, shall be allowed in the case of persons who have satisfactorily completed an agreed period of service overseas and are returning to their actual place of residence for the purpose of taking leave prior to serving another tour of duty at the same or some other overseas post, under a new written agreement entered into before departing from the overseas post: *Provided further*, That expenses of transportation of the immediate family and shipment of household effects of any employee from the post of duty of such employee outside continental United States to place of actual residence shall be allowed, not in excess of one time, prior to the return of such employee to the United States, including its Territories and possessions, when the employee has acquired eligibility for such transportation or when the public interest requires the return of the immediate family for compelling personal reasons of a humanitarian or compassionate nature, such as may involve physical or mental health, death of any member of the immediate family, or obligation imposed by authority or circumstances over which the individual has no control: *And provided further*, That when an employee returns his immediate family and household goods to the United States, including its Territories and possessions, at his own expense prior to his return and for other than reasons of public interest, the Government shall reimburse him for proper transportation expenses at such time as he acquires eligibility therefor."

Overseas Federal  
employees.  
Travel expenses.

68 Stat. 1008.  
68 Stat. 1009.

Approved August 31, 1954.





